ACTIVITIES

OF THE

PRESIDENT'S EMERGENCY COMMITTEE FOR EMPLOYMENT

(OCTOBER 17, 1930–AUGUST 19, 1931)

by

E. P. HAYES

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Chairman

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Vice Chairman

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FOREWORD

IN THE fall of 1930 when it became evident that extensive unemployment would continue over the winter, President Hoover asked that I assume the responsibility for developing a program dealing with the unemployment emergency. This program was to be based upon the idea that the primary responsibility for meeting the emergency lay with the states and local communities, and that the Federal Government would supplement their activities. The President's Emergency Committee for Employment was organized therefore in October 1930, in order to develop and administer this plan. The Committee was organized on a nonpartisan basis.

This document which has been prepared was undertaken in order that the historical record of an important period in our history might be complete, and in order that students of this period might have a comprehensive and accurate statement of the activities of the Committee. Our obligation to history requires that we make our record both complete and accurate.

I wish to express my appreciation to my colleagues on the Committee for their whole-hearted and helpful services. I am especially indebted to Mr. E. P. Hayes, a member of the Committee, for this historical record.

ARTHUR WOODS
Chairman

July 1, 1936
New York City

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INTRODUCTION

Summary of Economic Activities in the United States, 1930–1931

In 1929 the Federal Reserve Board index of total industrial production, after reaching the peak of 125 in June, moved steadily downward, — at first slowly then sharply. In December the index was 103, the lowest point since December 1927 when it was 102. The index of factory employment did not begin to recede until September and then not so markedly as the production index. The index of factory payrolls continued at, or close to, peak levels through October. While the index of freight car loadings tended downward from the June level of 108, the December index was 102. The index of building contracts awarded, paralleling closely that for total industrial production, declined from 126 in June to 102 in December. The index of department store sales was well maintained throughout the year. As for the indices of security prices, those for bonds remained steady throughout the year while those for common stocks dropped from the September peak of 225.2 to 153.8 in December.[1]

During the early months of 1930 the index of total factory production held close to the levels reached in 1925, 1926, 1927, and 1928; the index of stock prices rose to 181 in April; the index of building contracts awarded, moved from 95 in January to 105 in May; and the index of department store sales gave evidence of a volume of business approximately equal to that for the four years immediately preceding 1929. On the other hand the index of factory employment continued the slow but steady decline which had begun in September; the index of factory payrolls after rising to 98 in February and March, resumed in April a downward course. The index of freight carloadings likewise continued its recessive movement.

During the late spring and summer the trend of business definitely established itself in a downward direction. By October, the month in which the President's Emergency Committee for Employment was formed, the index of industrial production had receded from 118 in October 1929 to 88; of factory employment from 101 to 82; of payrolls from 111 to 81; of freight carloadings from 104 to 86; of building contracts awarded, from 107 to 78; and of common stock prices from 201.7 to 127.6. The index of department store sales was 102 compared with 112 in October 1929. In fact, in no October since 1921 when the trend of business was pointing upward were the indices in general so low. In

[1] *Annual Report of the Federal Reserve Board for 1930*, page 214.

October of that year the index of factory output was 71; of building contracts awarded, 65; of employment, 83; of payrolls, 73; of freight carloadings, 83; and of department store sales, 86.[2]

Discussing the existing business situation in the issue of October 18, 1930, the conservative *Commercial and Financial Chronicle* said:

> "No change of any great moment is to be noted in the general situation. The industries of the country still remain in a state of great depression, and he would be a bold man who would undertake to predict, with any great degree of assurance, when the country is to emerge from this unfortunate situation. The most that can be said at this time is that the slump has continued so long and has proceeded so far that it seems hardly tenable to believe that the end is still far off. It is on this idea . . . that a spirit of optimism is growing up in business circles . . ."

The exact number of the unemployed in the United States when the Committee was organized is unknown. An estimate prepared by the Department of Commerce placed the number of unemployed in September at 3,360,000 compared with a similar estimate of 460,000 in September 1929. On the basis of a survey of unemployment made by the Metropolitan Life Insurance Company among its industrial policyholders in 46 cities, government statisticians estimated that the number of unemployed in the first week of December was between 4,500,000 and 5,000,000 or approximately 10 per cent of the total number of persons with gainful occupation.

A later unemployment survey made by the Bureau of the Census and covering nearly one-sixth of the entire population of the United States indicated that the number of jobless in January 1931 was approximately 6,050,000 compared with 2,429,062 in April 1930, an increase of 140 per cent. For the winter of 1932–33, it has been estimated that the number of unemployed was between twelve and thirteen million.

While the trend of business was pursuing a generally downward course from the summer of 1929, so also were the indices of wholesale commodity prices. From 96.5, the high point of the year 1929 reached in July, the total index had receded to 83 in October 1930, or by 14 per cent. The index of farm products dropped from 107.6 in July 1929 to 82.5 in October or 23.3 per cent.

While the decline in prices was adversely affecting the income of large groups of the agricultural population, a devastating drought developed in the summer of 1930, bringing distress particularly to states bordering on the Potomac, Ohio, and lower Mississippi rivers, and to small areas in Montana, Oklahoma, and Texas. Based upon the loss of

[2] *Annual Report of the Federal Reserve Board for 1930*, pages 215–217.

crops resulting from the drought, reduced freight rates were granted by the railroads in 1,016 counties in 21 states, or in practically one-third of the counties of the entire country.

During November and December, industrial production, building contracts awarded, employment, payrolls, freight carloadings and department store sales, stock prices, and wholesale commodities measured by the indices of the Federal Reserve Board continued their downward course. While the indices of industrial production, building contracts awarded, payrolls, freight carloadings, department store sales, were above those of December 1921, the index of factory employment was 80 compared with 83 in 1921, and the index of factory payrolls was the same for both years at 74. Moreover, in the late months of 1921, there was no evidence of a similar trend as 1930 drew to a close.

Furthermore, in November and December 1930, there was an epidemic of bank failures. During the two months, 598 banks, with total deposits of $553,425,000 closed their doors. In fact, the deposits in the suspended banks were nearly twice as great as total bank suspensions for 1926, the year with the highest previous figure. The *Annual Report of the Federal Reserve Board for 1930* discussing the situation on pages 17 and 18 said:

> "There were 1,345 bank suspensions in 1930, a larger number than in any other year. Deposit liabilities of suspended banks were $865,000,000, compared with $272,000,000, the highest previous figure, which was recorded in 1926 . . .
>
> "In 1930, as previously, the majority of bank failures was among the small banks. In the past year, however, some large institutions closed their doors . . . with the consequence that average deposits of suspended banks were $640,000 in 1930, compared with $300,000 for the preceding nine years."

In January 1931 little or no evidence developed that a change in the direction of business was in the making. In February the index of industrial production pointed upward for the first time since April 1930, moving from 83 to 86, the index of factory employment while not rising remained at 78 interrupting for the first time the steady decline which had been in progress beginning in September 1929; the index of factory payrolls rose from 68 to 73; and that of contracts awarded from 71 to 79. Bank suspensions which had totalled 202 in January dropped to 77. The indices of carloadings and commodity prices, however, continued downward.

While general business operations registered no striking advance in March, no marked losses were recorded. Of business conditions in April, the *Survey of Current Business* published by the Department of Commerce said:

> "April was the third consecutive month in which the volume of business in the United States, after allowing for normal seasonal trends, showed further slight expansion from the low levels established in January."

In May, however, a decline of slightly more than seasonal proportions in the volume of business developed. Almost without exception the composite indices of the Federal Reserve Board turned downward; and for the remainder of the year they worked steadily to lower levels.

In December 1931, the indices were in every instance substantially below those for December 1930: industrial production, 74 vs. 84; factory employment, 69 vs. 80; factory payrolls, 56 vs. 74; building contracts awarded, 38 vs. 73; freight carloadings, 69 vs. 84; department store sales, 81 vs. 94; and commodity prices, 69 vs. 80. The total number of the unemployed has been estimated at approximately 10,000,000 compared with 6,050,000 indicated by the survey made by the Bureau of the Census in January 1930.

The effects of the depression upon total national income produced have been measured by the National Bureau of Economic Research in *National Income, 1929–1932*. It is estimated that income produced declined from $83,037,000,000 in 1929 to $70,484,000,000 in 1930; to $54,652,000,000 in 1931; and to $38,349,000,000 in 1932. When adjustment is made for a decline in the price level, it is estimated that "the volume of income produced, at a constant level, must have declined in 1930 by about 6 per cent from the 1929 level; by 1931 the decline may have been from 15 to 20 per cent, and by 1932 from 30 to 40 per cent."

While it is not within the compass of this report to speculate as to whether the slight expansion in the volume of business which was evident in February, March and April would have developed into a full recovery movement, it cannot be doubted that the European credit crisis which developed in Austria in April, which resulted in a collapse of credit in Germany in June, which led to the moratorium of June 20, and which started a chain of events forcing England off the gold standard in September, did not but adversely affect business and financial conditions in the United States. Large gold withdrawals from abroad resulted, and, with accelerated domestic withdrawals for hoarding, led to a rigid contraction in credit. During the year 2,298 banks failed with deposits of $1,691,510,000, a sum more than 95 per cent greater than the previous record total for 1930.

CHAPTER I

Organization and General Policies of the Committee

A — Organization

Believing that the best contribution of government in economic depression lay in encouragement of voluntary cooperation in the various states and communities, President Hoover, following the stock market crash in the Autumn of 1929, had initiated "extensive measures throughout the country." In reviewing these cooperative measures the President said:

> "The first — was an agreement of leading employers to maintain the standards of wages and of labor leaders to use their influence against strife; . . .
>
> The second — has been that our governments, National, State, and local, the industries and business so distribute employment as to give work to the maximum number of employees;
>
> The third — has been to maintain and even extend construction work and betterments in anticipation of the future;
>
> The fourth — was the organization in such states and municipalities, as was deemed necessary, of committees to organize local employment, to provide for employment agencies, and to effect relief of distress."

Speaking of the results of these measures late in 1930, the President said that in a large sense the undertakings to maintain wage standards and to avoid industrial strife had been adhered to; that there had been an expansion of public construction "to an amount even above that in the most prosperous years," and that public utilities, railways and other large organizations had undertaken "construction and betterment work in anticipation of future need," that actual suffering had been kept to a minimum; and that unemployment had been far less in proportion than in other large industrial countries.

In October 1930, when it became evident that already extensive unemployment would continue over the winter and would necessarily be increased by seasonal causes, the President "set up a more extensive organization to stimulate more intensive cooperation throughout the country."

On October 17, 1930, the President announced that he had that day requested a group of Cabinet members and the Governor of the

Federal Reserve Board to formulate and submit plans for continuing and strengthening the organization of Federal activities for employment during the winter. In line with the policies pursued in the fall of 1929, the President indicated "three directions of organization in which the activities of the Federal Government can cooperate: first, cooperation with the governors and employment organizations of the states and local communities; second, development of methods with the national industries; and third, direct Federal employment in public works, etc."

Referring to the program initiated ten months previous, the President said:

> "At that time the governors of many of the states established strong committees for action in relief and most of these organizations have shown a high record of real accomplishment. The present conditions of organization vary greatly in different states. In the majority of industrial states the governors have on their own initiative taken steps to reorganize or develop or further strengthen their organization for the forthcoming winter. During the past few weeks I have been in communication with some of the governors in development of methods by which the Federal Government can further supplement assistance to their organizations. The Cabinet committee will further discuss these conditions with governors and state agencies and we will again seek the cooperation of our business leaders and our national industries which we have had on so generous a scale during the past year. We shall also review the federal situation of public works and the situation in construction among the national industries together with other methods by which we can continue to be of assistance. There are no two states or municipalities where the problem is the same or where the methods of assistance are identical. With the survey of the methods in progress for the past ten months we should have valuable suggestive material and information for the winter."
>
> . . . "As a nation we must prevent hunger and cold to those of our people who are in honest difficulties."

On October 21, 1930, President Hoover announced that Colonel Arthur Woods had been appointed to take full charge of the preliminary work in developing a program for dealing with unemployment and that the recently named Committee of Cabinet members would act in an advisory capacity. In 1921, Colonel Woods had been a member of the President's Conference on Unemployment of which Mr. Hoover, then Secretary of Commerce, was chairman; and had served as chairman of the Committee on Municipal Organization for Unemployment.

Colonel Woods was appointed by President Hoover with full re-

sponsibility to develop a program for dealing with the unemployment emergency. The program was based upon the idea that the primary responsibility for meeting the emergency lay with the states and local communities; and that the Federal Government would supplement their activities.

Colonel Woods' program, which did not contemplate the use of such extraordinary measures to hasten recovery as the expenditure of billions for public works,[1] had as its major objectives the development of work opportunities for the unemployed; the development of effective direct relief measures where needed; and the development of wide interest in measures which would make for greater stabilization of employment and for increased effectiveness in dealing with subsequent emergencies.

To assist in carrying out such a program, Colonel Woods formed the President's Emergency Committee for Employment, the name indicating the emergency nature and primary objective of the group. The Committee as appointed and organized by Colonel Woods was non-partisan in character and membership.[2]

In organizing the Committee, Colonel Woods acted upon the basic principles that the primary responsibility for meeting the emergency of unemployment rested with the states and local communities; and that his organization, as a Federal agency, should direct its efforts towards supplementing and strengthening state and local activities. The Committee, therefore, was organized, not as a sponsoring committee of prominent individuals, but as an action group whose members were specially qualified to carry out the various cooperative functions of the Committee. As originally constituted, the Committee had approximately thirty members, the majority of whom gave their full time to the work.

With funds only for its own expenses[3] and with a limited staff, the Committee acted as a clearing house for measures found effective in the emergency, gave assistance on specific problems, and reinforced state and local efforts:

[1] During the winter of 1930–31, members of the Committee met in informal conferences with leading business men and economists to discuss recovery measures. It was the consensus of the meetings that, at the time, the normal forces of recovery were sufficient to bring about adjustment, and that little or nothing would be gained by employing unusual measures to hasten the recovery which then seemed to be in the making.

[2] The Committee was in no sense of the word, a job-finding group, trying to place a given individual in a specific job.

[3] From the time of organization in October 1930 to June 30, 1931, the expenditures of the Committee, which were met from funds made available by the Department of Commerce, were: $143,684.40: $90,941 for salaries; $9,020 for printing and binding, and $43,723.40 for contingent expenses. Approximate expenditures from July 1 to the conclusion of the Committee's activities in August 1931, were $13,500.

a. by cooperating with the departments of the Federal Government in their activities concerned with the emergency.
b. by pointing out the value of expediting necessary public and semi-public construction already planned in providing employment in the emergency.
c. by working with industry to spread employment and otherwise increase employment opportunities, to care for laid-off employees, and to develop stabilizing policies.
d. by indicating specific ways and means by which the individual citizen could personally provide employment for his less fortunate neighbor.
e. by cooperating with national organizations concerned with these problems.
f. by supporting by publicity and otherwise to enable states and communities better to provide employment and relief.

The Committee in the course of its activities in the existing emergency also undertook to develop a wide interest [4] in measures which would make for greater stabilization of employment and for increased effectiveness in dealing with subsequent depressions. Believing that such recurrent catastrophes could be mitigated, and "perhaps even be prevented," the Committee considered the occasion as opportune for an educational campaign to these ends. In pamphlets and press releases describing activities for increasing employment in the current emergency, in a series of talks by executives indicating what individual concerns had been and were doing, in numerous addresses by members of the Committee, and in cooperative efforts with companies, trade associations, professional groups, state and local employment committees, attention was directed, not only towards emergency measures, but also towards the development of ways and means for effecting increased stabilization of employment after the emergency had passed. Repeatedly it was pointed out that many of the measures for increasing work opportunities in the emergency could be applied in normal times to stabilize employment. Attention was also focused on the possibilities of such stabilizing measures as the advance planning of public works, a national system of employment offices, the timely publication of significant business data, and unemployment insurance.

The Committee was organized internally in accordance with its various functions. In the division of functions hard and fast lines were not drawn, for it was recognized that in dealing with an evolving emergency situation flexibility of organization was essential. Through

[4] To assist the Committee in its publicity activities, an advisory committee was formed consisting of representatives of the National and Columbia broadcasting systems, American Association of Advertising Agencies, Association of National Advertisers, Motion Picture Producers and Distributors of America, Inc., Advertising Federation of America, Associated Business Papers and the Authors League, Inc.

regular daily meetings and frequent conferences, the various activities of the Committee were coordinated. Sections or divisions were established to work primarily with:

(1) Departments of the Federal Government;
(2) State and local officials and committees;
(3) Agencies interested in accelerating public and semi-public construction;
(4) Industry;
(5) National relief, welfare, and fraternal organizations;
(6) Statistical and fact-finding groups;
(7) Women's organizations;
(8) Publicity agencies.

B — GENERAL POLICIES

The Attitude of the President Towards the Part of the Federal Government in the Emergency

It is not within the compass of this report to enter into a detailed discussion of the issues arising in the third session of the Seventy-first Congress between the President and the Congress with respect to the part of the Federal Government in meeting the unemployment emergency. It is, however, essential for a proper understanding of the policies and activities of the Committee to indicate the position taken by the President; for Colonel Woods was appointed by him and the work of the Committee must be considered as a part of the President's program for meeting the depression. In later chapters the attitude of Congress, particularly with reference to drought relief, will be discussed.

When the so-called Cabinet Committee was appointed in October 1930, the President briefly stated his ideas of the rôle of the Federal Government in meeting the emergency. His ideas with reference to the nature of the emergency, the steps which the Federal Government might advisedly take to meet it and the relationship of Federal, state and local governmental responsibilities are further indicated by excerpts from his Message of December 2, 1930, and from his address on Lincoln's Day, 1931. In his Message the President said:

> "The origins of this depression lie to some extent within our own borders through a speculative period which diverted capital and energy into speculation rather than constructive enterprise. Had overspeculation in securities been the only force operating, we should have seen recovery many months ago, as these particular dislocations have generally readjusted themselves. . . .
>
> "In the larger view the major forces of the depression now lie outside of the United States, and our recuperation has

been retarded by the unwarranted degree of fear and apprehension created by these outside forces. . . .

"There are many factors which give encouragement for the future. The fact that we are holding from 80 to 85 per cent of our normal activities and incomes; that our major financial and industrial institutions have come through the storm unimpaired; that price levels of major commodities have remained approximately stable for some time; that a number of industries are showing signs of increasing demand; that the world at large is readjusting itself to the situation; all reflect grounds for confidence. We should remember that these occasions have been met many times before, that they are but temporary, that our country is today stronger and richer in resources, in equipment, in skill, than ever in its history. We are in an extraordinary degree self-sustaining, we will overcome world influences and will lead the march of prosperity as we have always done hitherto.

"Economic depression can not be cured by legislative action or executive pronouncement. Economic wounds must be healed by the action of the cells of the economic body — the producers and consumers themselves. Recovery can be expedited and its effects mitigated by cooperative action. That cooperation requires that every individual should sustain faith and courage; that each should maintain his self-reliance; that each and every one should search for methods of improving his business or service; that the vast majority whose income is unimpaired should not hoard out of fear but should pursue their normal living and recreations; that each should seek to assist his neighbors who may be less fortunate; that each industry should assist its own employees; that each community and each state should assume its full responsibilities for organization of employment and relief of distress with that sturdiness and independence which built a great Nation.

"Our people are responding to these impulses in remarkable degree.

"The best contribution of government lies in encouragement of this voluntary cooperation in the community. . . .

"The result of magnificent cooperation throughout the country has been that actual suffering has been kept to a minimum during the past 12 months, and our unemployment has been far less in proportion than in other large industrial countries. . . . We have as a Nation a definite duty to see that no deserving person in our country suffers from hunger or cold. . . .

"As a contribution to the situation the Federal Government is engaged upon the greatest program of waterway, harbor, flood control, public building, highway, and airway improvement in all our history. . . .

"I favor still further temporary expansion of these activities in aid to unemployment during this winter. The Con-

gress, will, however, have presented to it numbers of projects, some of them under the guise of, rather than the reality of, their usefulness in the increase of employment during the depression. . . . The Government must not undertake works that are not of sound economic purpose. . . . The volume of construction work in the Government is already at the maximum limit warranted by financial prudence as a continuing policy. To increase taxation for purposes of construction work defeats its own purpose, as such taxes directly diminish employment in private industry. . . . Our immediate problem is the increase of employment for the next six months, and new plans which do not produce such immediate result or which extend commitments beyond this period are not warranted."

In his Lincoln's Day 1931 Address, the President took occasion, as instanced by the following excerpts, to state his ideas as to the part of the Federal Government in the national scheme of government:

"In Lincoln's day the dominant problem in our form of government turned upon the issue of states' rights. Though less pregnant with disaster, the dominant problem today in our form of government turns in large degree upon the issue of the relationship of Federal, state and local government responsibilities. We are faced with unceasing agitation that the Federal Government shall assume new financial burdens, that it shall undertake increased burdens in regulations of abuses and in the prosecution of crime. . . .

"Our concept of Federal, state and local responsibilities is possible of no unchangeable definitions and it must shift with the moving forces in the nation; but the time has come when we must have more national consideration and decision of the part which each shall assume in these responsibilities.

"The Federal Government has assumed many new responsibilities since Lincoln's time, and will probably assume more in the future when the states and local communities cannot alone cure abuse or bear the entire cost of national programs, but there is an essential principle that should be maintained in these matters. I am convinced that where Federal action is essential, then in most cases it should limit its responsibilities to supplement the states and local communities, and that it should not assume the major rôle or the entire responsibility in replacement of the state or local government. To do otherwise threatens the whole foundations of local government, which is the very basis of self-government.

"The moment responsibilities of any community, particularly in economic and social questions, are shifted from any part of the nation to Washington, then that community has subjected itself to a remote bureaucracy with its minimum of understanding and of sympathy. It has lost a large part of its voice and its control of its own destiny. Under Federal

control the varied conditions of life in our country are forced into standard molds, with all their limitations upon life, either of the individual or the community. Where people divest themselves of local government responsibilities they at once lay the foundation for the destruction of their liberties.

"And buried in this problem lies something even deeper. The whole of our governmental machinery was devised for the purpose that through ordered liberty we give incentive and equality of opportunity to every individual to rise to that highest achievement of which he is capable. At once when government is centralized there arises a limitation upon the liberty of the individual and a restriction of individual opportunity. . . .

"The evidence of our ability to solve great problems outside of government action and the degree of moral strength with which we emerge from this period will be determined by whether the individuals and the local communities continue to meet their responsibilities.

"Throughout this depression I have insisted upon organization of these forces through industry, through local government and through charity, that they should meet this crisis by their own initiative, by the assumption of their own responsibilities. The Federal Government has sought to do its part by example in the expansion of employment, by affording credit to drought sufferers for rehabilitation, and by cooperation with the community, and thus to avoid the opiates of government charity and the stifling of our national spirit of mutual self-help.

"We can take courage and pride in the effective work of thousands of voluntary organizations for provision of employment, for relief of distress, that have sprung up over the entire nation. . . . Never before in a great depression has there been so systematic a protection against distress; never before has there been so little social disorder; never before has there been such an outpouring of the spirit of self-sacrifice and service.

"The ever-growing complexity of modern life, with its train of ever more perplexing and difficult problems, is a challenge to our individual characters and to our devotion to our ideals. The resourcefulness of America when challenged has never failed. Success is not gained by leaning upon government to solve all the problems before us. That way leads to enervation of will and destruction of character. . . ."

That the ideas of the President with reference to the nature of the emergency and the responsibilities of the Federal Government in meeting it were not held by many members of Congress was soon evidenced.

Within a short time after Congress assembled in December 1930, measures were introduced which would have increased Federal obli-

gations for the fiscal year 1932 by nearly $4,500,000,000, "mostly under the guise of giving relief of one kind or another." Out of these and other measures there developed between certain members of the Congress and the President sharp differences of opinion, which lasted practically throughout the entire session, ending in March 1931.[5] As will be indicated later, the Administration was able to defeat legislation involving outright grants of Federal funds for direct relief. Furthermore, none of the proposed legislation was enacted which would have launched the Federal Government on a vast public works program costing billions of dollars and designed as a cure for the depression. The Administration, however, was not able to prevent the passage of drought relief legislation which it did not favor, or of the veterans' bonus legislation, which involved the Federal treasury in an outlay of approximately a billion dollars.

The Attitude of the Committee Towards the Emergency

As previously indicated, Colonel Woods undertook to promote a nation-wide effort which would meet the emergency by providing employment opportunities and by providing direct material relief when necessary. In such a program, Colonel Woods, like the President, considered the part of his Committee, as an agency of the Federal Government, one of reinforcing the activities of states and local communities, with whom lay the primary responsibility for meeting the current emergency. Colonel Woods, as noted, also regarded the occasion as opportune for developing policies and plans making for long-run stabilization of employment and for increased effectiveness in dealing with subsequent emergencies. Consequently, the Committee in its activities with state and local committees, with industry, with national groups and with the individual citizen took occasion to develop a sustained interest in permanent preventive measures.

The general attitude of the Committee towards the depression as such is briefly set forth in the following radio talk by Colonel Woods, delivered on January 26, 1931:

> "Our country finds itself in a grave but also a stupid situation today. Here we are with unrivalled national resources of every kind; an abundance of raw materials and man power, a highly developed system of transportation and distribution facilities, a tremendous system of manufacturing plants to convert the raw materials into saleable commodities. We have plenty of capital.
>
> "On the one hand we have millions of idle workers, many of them now desperately in need of the very commodities they

[5] During this session the Republicans had control of the House but only a nominal control of the Senate.

might produce if they had work. These workers are not of the chronically unemployed types. They are able to work, able to do good work and eager for a chance to.

"On the other hand we have idle plants the owners of which are eager to put these idle workers to work, and are steadily losing money because of their inability to do so.

"While these two groups stay separated, employers, employees and consumers alike, are the victims of depression. No one profits by the situation. Everyone loses. And no one seems to know how to bring the two groups together.

"Now how did we ever allow ourselves to get into such a stupid situation, you may be asking. I wish I could tell you. All we know is that it comes about through vast, far-reaching and as yet uncontrolled economic forces . . .

"What is the nature of these business depressions, and must we always suffer from them? Are they like storms at sea (Acts of God), or are they like plague, pestilence and famine, preventable by human power?

"In the good old days, they were believed to be 'Acts of God' but we are beginning now to understand that they are not of this nature at all and should be in the other classification and attacked as being preventable and an intolerable curse on our social and economic system."

In a talk before the American Philosophical Society on April 23, 1931, after six months in the center of multifarious emergency activities and shortly before retiring from active direction of the Committee, Colonel Woods not only set forth his ideas with reference to business depression but discussed preventive measures, both temporary and permanent, to offset its effect. In the course of his remarks he said:

"A free state, a free economic system owes its very existence to the fact that it provides and maintains conditions under which its members have the opportunity to earn their living, in their own way insofar as that way is compatible with the welfare of others, and of the group as a whole. It does not owe a man a living; it owes him the fair chance to make his own living.

"If it were otherwise, if the state owed a living to each of its members, then the members, in return, would have to yield individuality of choice and occupation, and take whatever forms and conditions of living the state might prescribe. . . .

"That is the American theory; it is the theory of most of the civilized world. But occasionally — too often — there come tides in our affairs that abruptly and insistently call that theory into question. . . . The idle workers need the goods that are not being produced, capital needs employment, the factories are losing money daily and need to be manned. Yet capital stays idle, factories stay idle, workers stay idle.

"Is it any wonder that people ask themselves why? . . . And if no satisfactory answers emerge, is it to be wondered at if the questions go deeper and direct themselves at our economic order: is it what it should be; should it be changed? . . .

"Yellow fever, unchecked and seemingly uncheckable, used to claim its thousands, and no one knew whence it came or how to avoid it, yet now, thanks to marvelous human skill and persistence, and noble human sacrifice, yellow fever is banished from most sections of the earth where it used to decimate its victims; and we think we see the days when there will not be a case of it on the face of the earth, when it will be a vanished, extinct plague. Are not industrial depressions in the same category?

"Industrial leaders throughout the country are working on this theory. They feel that these recurrent catastrophes can be mitigated, can perhaps even be prevented, and they are studying the question in all its manifestations, and trying out different plans, making different experiments, with this aim.

"The President's Emergency Committee this winter in Washington has felt itself in the centre of innumerable industrial laboratories, all working, each in its way, to diagnose and treat this fell industrial disease. This general effort is earnest; it has already achieved notable results, and has pointed the way to further search. The extent and spontaneity of the movement, the assumption of the task by industry, the way in which employer and employee are working together, in the effort to find the causes, and the ways to combat this thing that plagues them both — these are all new manifestations. Never before has there been such an attack on unemployment; never before has there been such constructive progress made. . . .

"An era of industrial depression nowadays, while springing undoubtedly from many of the same causes as heretofore, is very different in its social effect from similar depressions of a generation or more ago. In those days a person out of work would be looked after by his friends and neighbors, his church, his clubs, his relatives. . . .

"As we have grown away from a rural civilization into great urban communities, and people have become less individuals and more units in a great system, as we grow toward mass education, mass production, chain business — so the methods of life change. In the depression which we are now working out of, for illustration, more and more people out of work felt that they ought to obtain the relief they needed from private charities or public relief measures. . . .

"From the point of view of the man out of a job the newer method is far inferior to the old. Nowadays he casts himself on charity, on public relief, and the only kind of help he gets is in kind or in money. The sympathetic helpfulness of family and friends is not replaced by the impersonal supplies of charity or of governmental agencies. . . .

"This year we have noticed a very marked change in the action of companies. In some instances it has gone only a very short way, but as a trend it is marked and growing. Instead of discharging everyone possible the tendency is to see how many can be retained. If men have to be discharged, the effort is made to pick and choose them, selecting for discharge those who will be hurt the least by it: unmarried men, for instance, men who could qualify for a pension, men who would be most likely to find jobs elsewhere. And in their own several ways the companies continue to take an interest in the welfare of discharged employees; by donating supplies, by allowing them to stay in company houses, by making individual loans without interest and to be repaid only when the man gets his job back. Instead of putting off all construction and repair work, the tendency has been to anticipate such work, so as to provide occupation for people instead of having to discharge them. And this tendency in industry has come about not because our industrial organizations have suddenly transformed themselves into charitable associations, but because it has been deemed good business.

"Striking as is this trend of industry to grapple with the existing emergency, the efforts that are being made to study the question with reference to the whole cycle are not less notable. And it is the characteristically American method of working out a difficult problem: to have people working on it each in his own way all over the country, so that gradually the successful methods will emerge, and all can take advantage of their benefits.

"One great tendency in industry in its effort to work out preventives, is the study of unemployment insurance. The question is being raised as to whether industry should not protect itself against the evils and difficulties of unemployment just as much as it protects itself against fire and theft. Besides trying to arrange its plant so as to reduce the dangers of conflagration and thieving, it insures itself against them. Besides trying to stabilize and regularize and rationalize its business so as to make shallower the trough of industrial depression, why should it not insure itself against the catastrophe which follows in case these measures are not sufficient? Not very great actual progress has been made along this line, though the matter is in such a condition that at any time the present efforts may result in bringing to light and making available for putting into practice, well considered and effective methods of industrial insurance. One of the most promising signs that have come to our attention recently has been that a number of companies have adopted identical plans according to which the company lays aside funds every year, and undertakes to pay employees who are laid off 60 per cent of their wages for a certain number of weeks, the time being dependent upon length of service. The companies announce the intention, if the unemployment situation should go on and be too much

of a strain on the fund, of increasing their own contributions and calling for a contribution of similar amount from those who still hold their jobs.

"Another subject that is being studied with a view to its usefulness in lessening the violence of industrial depression is business statistics. We now know many facts about industry that were not known or were only imperfectly known in previous times, and these facts are published periodically. We know about the number of freight cars that are loaded each week, the amount of loans that are made by brokers to their customers, the deposits in savings banks, the earnings of companies, and we are learning more and more about the significance of such figures. It is not too much to expect, however, that the profession of assembling and making available the significant facts about trade and industry will develop very fast, and that information which we are at the present time without, may be available shortly and may be most helpful in making it possible for people to see ahead the up and down trend of business, so that measures may be taken accordingly.

"We do not know today, for instance, how much money is due to dealers in the way of consumers' indebtedness. This includes installment purchases, loans to finance consumer purchases, borrowings on insurance policies, loans from pawnbrokers — in short, indebtedness that is incurred to purchase articles that are bought and consumed — as contrasted with producers' loans, which are for commodities that are to be manufactured into goods for subsequent sale. The best figure I have been able to obtain is 10½ billions of dollars, a truly huge and almost incredible sum. If any such sum of money is due in this way it means that it will have to be paid, new money paying for old consumption, before there can be much increase in consuming power. With reference to stocks of goods on hand, again we have certain information, but we have no idea what stocks are in private hands and therefore cannot take them into consideration in our estimate.

"Again, it may not be too much to hope that some forms of information with reference to industry may be devised by thoughtful and resourceful statisticians which will show in ways which we now do not imagine, the course of affairs in business so as clearly and unmistakably to point out ahead of time the tendencies toward change.

"Much consideration is being given to the laws under which American business operates. In the main these laws are old. They may have met the needs of industrial rules and regulations years ago, but they may nevertheless be misfits now and may be working against the interest not only of industry but of the public. One of the great causes of the over-stocking of shelves and overproduction probably is the instinctive effort of manufacturers in times when business is good, while people are buying, to get their full share of the business and a lot more. They enlarge their plants, they increase their production

to get ahead of their competitors. Their competitors are doing the same thing, and when the evil day of slowing up comes on, all of them are caught with large supplies of goods which they cannot sell at a profit.

"People are wondering whether such ruinous competition is not one of the causes of industrial depression, and whether the time has not come for a thoroughgoing examination of the laws by which corporations are regulated, to the end of removing the necessity for ruthless and ruinous competition, yet at the same time protecting the rights of the public. Under the present situation everyone suffers, employer and employee both. The whole system is plainly upon trial to see whether it has in it the capacity to operate industry as it exists now, for the benefit of all concerned — the owners of companies, and their name is legion, the managers and the workers.

"Experiments are being made in public employment offices to see what is the best way to provide the means by which the job, if there is a job, finds the man who is fitted to fill it. In this city of Philadelphia very promising work is being carried on along this line, and also in Rochester, New York, Minneapolis and St. Paul, and in many other places. When these local efforts are all knit together into a successfully handled, smoothly-working national organization, we shall at any rate come nearer knowing the facts of unemployment, for people will register at such bureaus.

"Closely allied with the work which would be done by a national system of employment agencies is the benefit that could be gained from work now going on in vocational guidance and vocational training and re-training. With the development of industry toward specialization and the narrowing of the kind of job that an individual man can do, it becomes harder for him to find anything that he can turn his hand to except the narrowly specialized job which he has been trained to perform. Much of this difficulty can be mitigated by guidance and by training. Particularly those beginning work can be guided to start work where there is most prospect of successful and permanent employment. The supply which would otherwise fit itself for overstocked occupations could thus be thinned, and young people might be turned into occupations promising greater opportunity. Workers could also be trained so that they might be able to turn their hands to several different kinds of jobs instead of only one.

"Such guidance work and such training are being carried on now by some state vocational systems and by some industrial companies. It does not yet seem clear which is the better arrangement or whether each has its proper field, but earnest studies of the question are now being made, and the results cannot fail to be helpful.

"It was not formerly necessary to look beyond the boundaries of our own country for anything that would affect us in the

way of industrial booms or depressions. Now, however, we find, for better or for worse, that what affects other countries affects us also. We are closely connected with them by the forms of modern life and by the modern inventions. These bring us so near in every way that we cannot escape from the effects of world inter-dependence. We must have dealings with citizens of foreign countries whether we choose to or not. We find that what affects them favorably affects us favorably, and vice versa; for nowadays the affairs of different nations are like various streams of water seeking relentlessly a common level.

"It is not inevitable that the transition in political thought and administration from the national to the international outlook will also be carried over into industrial affairs. We can at any rate be certain that the course of our industries is markedly affected by conditions in the rest of the world. Since the home market doesn't seem to be enough, the only alternative is trade relations with the rest of the world. These, to be successful, must be arranged on the basis of mutual benefit. If industry can work out this problem it will have contributed decisively, not only to the industrial good health and well-being of this nation, but to the greater cause of peace and good-will on earth."

Relations Between the President and the Committee

The President's Emergency Committee for Employment, as organized, was non-partisan in character and membership. In developing its activities which must of course be considered a part of the Administration's program against unemployment, the Committee had wide latitude. In fact so free was the Committee to develop its own policies that on occasion it might direct its efforts towards objectives not within the scope of the Administration's program.

As has been previously indicated, both the President and the Committee were in complete agreement that the primary responsibility for meeting the emergency lay with the states and local communities and that the Federal Government should supplement their efforts. In a subject so complex and with so many varied angles of approach, it is not surprising that friendly differences of judgment arose between the President and the Committee, both as to the amount of aid which the Federal Government might properly give and as to the duration of the need for such aid.

In the chapter on public works the recommendations of the Committee with reference to Federal expenditures will be discussed in detail. Suffice it to say at this point that the Committee did not favor a great experiment involving the expenditure of billions in public works as a cure for the depression but it would have risked advancing the Federal public works already planned for the ensuing three years so that they

might have been completed within eighteen months. The President did not feel that such a program would be effective, and, therefore, did not wish to add such a burden to the Federal credit. He, therefore, did not recommend such a program to the Congress.

Furthermore, the President, as previously indicated in his Message, felt that with everyone uncertain as to the future course of economic activity, relief measures should be planned for periods not longer than six months. In fact, the President's Committee, as indicated by the name, was emergency in character, being appointed to deal with unemployment during the winter of 1930–31. On the basis of observed conditions and the history of recovery from similar depressions, the Committee was convinced that even if business hit bottom, so to speak, in the winter, emergency conditions would endure through the winter of 1931–32. As the winter drew to a close the Committee gave increasing attention to measures which would insure that the experience gained and the organization effected by state and local communities would be available for meeting such conditions as might arise in the winter of 1931–32.

When, in April, Colonel Woods and several members of the Committee found it necessary to return to their own organizations, and to serve subsequently in an advisory capacity only, Mr. Fred C. Croxton, a regional adviser, was appointed Vice-Chairman. With the approval of the Administration, the Committee continued its work, with increasing emphasis upon plans for the winter of 1931–32, until the President's Organization on Unemployment Relief was organized in August, 1931.

On August 19, 1931, the President announced the appointment of Walter S. Gifford as Director of the President's Organization on Unemployment Relief. His activities were to be directed primarily towards the relief aspects of the unemployment situation during the coming winter. The President stated that the work "so splendidly directed" by Colonel Woods during the past year would be "continued under the direction of Mr. Fred C. Croxton as part of the new organization, including its work on employment problems." Several members of the President's Emergency Committee for Employment were appointed to the President's Organization on Unemployment Relief, while others continued to serve as members of the administrative staff.[6]

[6] The clerical organization and files of the President's Emergency Committee for Employment were taken over by the President's Organization on Unemployment Relief.

CHAPTER II

General Program of Cooperation with States and Local Communities

State and Local Organization

As a Federal agency, the Committee made its primary contacts with the Governors of the states and with their representatives. As the activities of the Committee developed, and local committees were formed, the Committee cooperating with the state authorities, made direct contacts with local communities. With but seven field representatives and with a small staff at Washington, direct contacts with local communities were necessarily limited.

Believing that emergency committees should be organized wherever the situation demanded special attention, the President's Committee discussed the need for such organizations with the Governors and their representatives. Where the formation of committees was deemed advisable, the President's Committee recommended that these bodies, both state and local, should be truly representative in character and should include members from such groups as employers, labor, bankers; welfare, religious and educational organizations; public employment officials, and governmental authorities.

Territory of the Regional Advisers

William Phillips:

Connecticut	Massachusetts	Rhode Island
Delaware	New Hampshire	Vermont
Maine	New Jersey	

Leonard Fox:

Pennsylvania

Fred C. Croxton, October 1930–April 1931:
Rowland Haynes, May–August 1931:

Illinois	West Virginia	New York
Indiana	Michigan	Ohio
Iowa	Minnesota	Wisconsin
Kentucky		

Frank Bane, October–December 1930:
Thad Holt, January–August 1931:

Alabama	Mississippi	Tennessee
Florida	North Carolina	Virginia
Georgia	South Carolina	Maryland

JOHN F. LUCEY:

Arkansas	Oklahoma	Texas
Louisiana		

HAROLD P. FABIAN:

Colorado	Wyoming	Utah
Montana		Idaho

WILLARD E. HOTCHKISS:

Arizona	Oregon	New Mexico
California	Washington	Nevada

With reference to the emergency committees formed at this time by states and local communities, it should be noted that they were in no sense agencies of the Federal Government. Although these committees cooperated with the President's Emergency Committee for Employment, they were in no way directly affiliated with it.

In order to assist states and local communities, the Committee, acting as a clearing house, undertook to make available information with respect to measures found effective in providing employment opportunities and in administering relief. In such activities the Committee was obliged to depend in large measure upon publicity, the radio, publications prepared by the Committee and by cooperating organizations, and the press. The Committee further undertook to supplement state and local efforts by urging an expansion of necessary public and semi-public construction, by developing plans with industry for increasing employment opportunities, by encouraging home owners to provide work for their unemployed neighbors through sprucing up and renovating, by taking steps in cooperation with national organizations to bring about effective administration of relief, by gathering data upon unemployment and relief conditions and by emphasizing the part which women could play in the emergency.

On November 6, in order to establish contact with the Governors of the several states, Colonel Woods talked over the telephone directly with 44 Governors and with representatives of the remaining four. In general, inquiry was made as to the extent of the unemployment problem, public works activities, special measures taken within the state, need for a special state organization to meet the situation, and delays, if any, with reference to Federal projects. In offering his cooperation Colonel Woods indicated that the President's Emergency Committee for Employment would act chiefly as a clearing house, making available information such as the report of the "Ohio Plan," and directing the regional advisers of the Committee to discuss procedures and consult with Governors or their representatives. Where Federal projects were being delayed, Colonel Woods suggested that spe-

cific information be sent him so that he might take steps to accelerate them.

While showing marked variations, the situation as reported to Colonel Woods, seemed in general "less serious than it was in 1921." The degree of unemployment was reported as most extensive in the northern industrial areas, and in areas dependent upon mining and lumbering. The Governors of primarily agricultural states, except of those sections located in the drought area, reported for the most part a situation that offered no insurmountable difficulties. Certain Governors, notably of Louisiana, Oregon, California, and Nevada, anticipated difficulty in handling transients.

From the telephone talks, it developed that state unemployment committees were in existence or were being organized in Arizona, California, Indiana, Massachusetts, New York, Ohio, Oregon and Vermont, and that there were state drought committees in Arkansas, Tennessee and Virginia.

The regional advisers of the Committee, following the policy of working principally with Governors and their state committees, undertook to establish immediate contact in those states where the emergency was most serious.[1] Where the organization of a state committee was deemed expedient, the type generally recommended would include representatives of business, labor, public employment offices, welfare, religious and educational organizations, and the Government. Such a Committee, having the support of the groups best equipped to deal with unemployment was in a position to organize county and city committees and to act as a clearing house for information useful to them.[2]

By the close of the winter there were more than thirty state committees. Where such committees were not formed it was considered that the local organization was able to meet the emergency situation.

Although the general policy of the Committee was to make primary contacts with the Governors and their committees, both the regional advisers and the Washington staff made direct contact with local offi-

[1] On December 5, 1930, in a radio talk, Fred C. Croxton, as regional adviser for Ohio, Indiana, Illinois, Kentucky, West Virginia, Michigan, Wisconsin, Iowa, Minnesota and New York, described briefly the measures being taken in his territory to provide employment and relief. In his talk Mr. Croxton emphasized that each of the states had "a distinct personality," that in no two were conditions entirely similar and that the organization in each state was "built entirely around the chief executive, who, with those citizens who were associated with him, undertake to organize the resources of each community where local committee organization does not exist."

[2] The State of Ohio in 1929–30, set up a State Committee and correlated County Committees in response to President Hoover's request to the Governors of the states for their cooperation in stimulating public works construction as part of a nation-wide program designed to meet the emergency situation in industry and employment. Under date of October 10, 1930, the Department of Commerce published a pamphlet giving a detailed record of the form of organization and a general statement of the results attained, to "provide suggestions as to methods of organization to other Committees in their efforts to stimulate activity in their respective districts."

cials and local committees in many of the larger cities and in certain rural and mining communities where the emergency was particularly acute.

On November 7, in a radio talk Colonel Woods addressed himself as follows to mayors, city managers and selectmen, requesting municipal officials to forward specific information as to city organization for meeting unemployment, as to industrial efforts in the emergency, and as to plans for relief developed by public and private agencies:

> "We are all engaged in a race against human suffering. Millions of our fellow citizens out of a job will have to depend upon the leadership of other millions for a solution of our joint problems. Only by working together can this race be won.
>
> "Victory depends on thousands of local communities planning and working towards the common goal — on millions of people in these local communities. In that way we can help the return to prosperity; by the relief of the needy and the employment of the unemployed.
>
> "Experiences and methods that each of us has found successful must be shared by all of us, so that we can short-cut our way to an intelligent and efficient way of handling the problem.
>
> "Facts are the essence of the situation.
>
> "I believe this is the first time the radio has been employed to gather statistics — to reach all concerned in a simultaneous, instantaneous message with a simultaneous and instantaneous response, I hope.
>
> "Two weeks ago, President Hoover created this emergency committee for employment. Today it is functioning with its Washington staff of experts in public works, industrial, and human relations, and in the field.
>
> "Yesterday, I talked over the telephone with forty-four Governors of states, and four representatives of Governors, in the effort to bring about the most useful cooperation possible between the Governors, representing as they do the 48 state units of our country, and the President's Emergency Committee. As I expected, I found the Governors alert to the situation. I learned from them the ways and means they had adopted to meet the situation in their own states. And I was able to supply many of them with information as to what other states had done, in the hope that this might be useful to them in working out their problems.
>
> "Today, being unable to talk with the heads of all cities personally, I welcome this none-the-less personal and direct way to reach them.
>
> "Please take out your pencil. Will you, Mr. Mayor, and you, Mr. City Manager, and you, Mr. Selectman, be good enough to send me by mail to Washington the following information at your early convenience, so that no time may be lost in

assembling the facts and making the information available where it will do the most good.

"Will not you, who listen in, cooperate by bringing this request to the attention of such mayors as may not be listening.

"Point one on which information is desired is:

1. How is your city organized or planning to organize to meet the unemployment situation?
2. What are your industries doing to help?
3. What plans for relief have been developed by the men and women in municipal and private agencies?

"Your state and local committees can use this information in connection with their immediate problems, and the President's Committee can also use a great deal of it for national distribution, so that the maximum benefit can be secured promptly. You will know the address of your state organization; the information for the President's Emergency Committee should be addressed to the Department of Commerce, Washington, D. C. I thank you for the cooperation I know you will give." [3]

On November 28, a member of the Committee gave the following radio talk based upon information received from several hundred communities, as to the extent of unemployment and the methods used to meet it:

"One of the most encouraging aspects of the present unemployment situation is the resourcefulness with which American communities are meeting their own needs. The cities which have an unemployment problem are facing the fact squarely and intelligently and are working for a maximum of employment and a minimizing of the burden of unemployment. These cities realize that there is a job to be done now as well as more permanent measures to be worked out later. Quite generally there is a spirit of competence and self-reliance in meeting their respective needs.

"Obviously, unemployment centers to a large extent in the industrial cities. Fortunately, it is those same cities which are so well equipped with trained personnel and appropriate organizations and agencies. Every large city has its quota of experienced officials, trained social workers, energetic civic secretaries and resourceful industrial and labor leaders.

"With such resources it is but to be expected that sound plans and actual results should emerge. Community leaders are responding to that challenge. There is a conscious and intelligent effort to maintain standards and to do that which is constructive and of sound social value.

"Labor, industry, private agencies and government are frequently represented in a central committee where they ex-

[3] Following the radio request for information the Committee sent a letter to the mayors of approximately 250 cities of a population of 25,000 or more, asking for similar information.

change ideas. Naturally, in those cities there is a minimum of confusion and duplication of effort. Civic groups of all types are waiving their claims for credit and working through existing agencies and channels.

"An inevitable result of this joint effort is the emerging of well-rounded programs, steadily pursued rather than piecemeal plans spasmodically followed. Of course, the range of activity varies. It extends from the neighborly helpfulness of the smaller town to the elaborate machinery of the larger cities. Each community has its own situation and its own plan.

"While there is no one plan of organization or program, the following activities are fairly typical:

Registration of unemployed to indicate the size of the problem.

Central employment services where the job and the man are brought together.

Industrial plans of spreading work, of manufacturing for stock and providing for their older employees.

Governmental appropriations for maintenance work and speeding up of public works.

Wide citizen and industrial effort to provide temporary employment around the homes and industry.

The acceleration and simplification of relief administration during the emergency period.

Partial use of relief funds in payment for work where possible.

Cooperative public and private effort adequate to meet the increased cost of relief.

Acceptance of responsibility for transients and the meeting of it in as humane a manner as possible.

And, finally, education and recreation programs for those who are not employed.

"With all such programs our cities are meeting immediate needs. They are not unmindful of the need for more permanent measures. Several cities have under way important research studies. Many cities are programming for the future. All cities are acquiring that experience with the unemployment problem which will enable them intelligently to appraise those more permanent measures which may later be suggested.

"Contact with the cities constitutes an important part of the work of the President's Emergency Committee for Employment. From several hundred cities information has been obtained as to the extent of unemployment and the methods being used to meet it. With this informational background the President's Committee is endeavoring to make available to all the cities the benefit of the experience of other cities and in every possible way to be of helpful service." [4]

[4] On December 4, 1930 and on January 26, 1931, the Committee issued news reports giving instances of community "ingenuity" in stimulating employment.

As indicated, organization for meeting unemployment in the counties and cities varied with the nature and the magnitude of the local problem. While counties and smaller cities often organized emergency employment committees, the tendency was to rely upon churches, civic clubs, and fraternal organizations. In the larger cities the tendency was to organize central emergency employment or relief committees. These central committees, generally appointed by the mayor, usually included representatives of the city government, chamber of commerce, manufacturers, bankers, labor, real estate men, social agencies, civic clubs, church groups, and women's clubs. Such central committees, acting chiefly as planning and coordinating agencies, were in a position to prevent duplication of effort and the neglect of various phases of the problem, to enlist the active cooperation of the largest possible number of individuals, and to utilize to the fullest degree citizen effort and enthusiasm.

In many cases, central committees worked through sub-committees such as the following: — statistics and information, employment, finance, public works, relief and publicity.[5]

In a press conference on February 16, Colonel Woods, commenting upon the activities of local committees said: "One thing that impresses me very much is the way in which there is no diminution of activity on the part of the city, town, county and state committees all over the country. Here in the middle of February they have been at this thing for months, each one tackling the situation, and they are just as active and seem to be just as enthusiastic and vigorous as they were in the start."

[5] In general it might be said that: The *committee on statistics and information*, whose chairman was generally one experienced in gathering and analyzing information, ascertained the number of the unemployed, condition of local industry, the extent of destitution, and the financial status of the city and private agencies. The *committee on employment*, having as its main function the creating of jobs and the bringing of the unemployed into jobs, made suggestions to industries for providing additional employment and to householders and others for providing odd jobs. While some *committees on finance* raised definite sums of money to provide work or relief for the unemployed, others ascertained the needs for funds and furthered the efforts of governmental and private agencies to secure them. The *committee on public works* ascertained the amount of public work available, determined what projects might be undertaken and endeavored to get them under way; and might also analyze the future needs for public works and develop a plan whereby such works could be used to offset the current and future depressions. The *committee on relief* did not usually operate directly in the relief field but rather worked through and coordinated the activities of all established public and private relief agencies to the end that individuals and families in need of immediate relief might be supplied with food, clothing, shelter, fuel and necessary medical attention. This committee also assisted charitable organizations in the raising of funds and in certain cases encouraged governmental authorities, both local and state, to make appropriations for material relief. The *committee on publicity* informed the public as to facts in regard to local employment situations and steps which were being taken to relieve it; made appeals for food, clothing and funds for general relief; urged the employment of local labor; discouraged the influx of transients; discouraged indiscriminate giving; promoted a well ordered program; and cooperated with other sub-committees by planning and furnishing the necessary publicity for their various activities.

On April 27, 1931, in his last press conference, Colonel Woods, speaking generally of the emergency employment committees said: "The work of these committees is a most astonishing feature . . . there are thousands of them, they grow up spontaneously wherever the need comes and the amount of good they have done in allaying suffering and keeping up morale is amazing."

With the coming of spring and the consequent lessening of the pressure upon state and local emergency organizations, the tendency was for these groups to discontinue their activities. In assuming his duties as vice-chairman, Mr. Croxton immediately undertook to maintain and strengthen the contacts already established between the President's Emergency Committee for Employment, and state and local committees. Where the state committees were not organized on a permanent basis steps were taken to encourage them to do so in order that a program for stabilizing employment and readjusting surplus labor might be developed with them, and, through them, with permanent local committees. Moreover, as it was anticipated that the relief load during the winter of 1931–32 would be heavy unless there was a marked improvement in industrial conditions, the Committee attempted to bring about effective organization of local resources. In such a program it was essential to hold state and local committees in the picture.

When the President's Organization on Unemployment Relief commenced its activities in August, it found a strong nucleus of experienced state and local committees already making preparations to meet the emergency in the coming winter.

CLEARING OF INFORMATION TO STATES AND LOCAL COMMUNITIES

In order to assist states and local communities in meeting the emergency, the Committee acted as a clearing house of information with respect to measures found effective in providing employment opportunities and in administering relief. In later chapters will be discussed further measures whereby the Committee urged an expansion of necessary public and semi-public construction, developed plans with industry for increasing employment opportunities, encouraged home owners to provide work for their unemployed neighbors through sprucing up, took steps in cooperation with national organizations to bring about effective administration of relief, gathered data upon unemployment and relief conditions, and emphasized the part which women could play in the emergency.

In its function as a clearing house, the Committee, with a limited staff, both in Washington and in the field, was obliged to depend in a large measure upon publicity, the radio, publications, and the press in making available information which might prove useful.[6]

[6] The Public Relations Section of the Committee is discussed on page 151.

As previously noted, the Committee quickly made use of the radio in its cooperative efforts. During the fall and winter a number of talks were given which had particular bearing on such matters as state organizations, community relief activities and care of transients. Furthermore, the Committee sponsored three series of talks having to do with the efforts of industry and labor to meet the emergency; with the possibilities of increasing employment through institutional construction; and with the activities of women's organizations in the emergency.

In its efforts to assist state and local organizations, the Committee distributed booklets and pamphlets prepared by cooperating organizations; issued bulletins describing the individual plan of states, cities, and individuals; and published its own bulletin — *Community Plans and Actions.*

Anticipating the immediate need for readily available suggestions for organizing and administering relief, the Committee turned to the Russell Sage Foundation and Family Welfare Association of America. The former organization provided the Committee with copies of *Emergency Relief in Times of Unemployment* by Mary E. Richmond and sent to each Governor a copy of *The Burden of Unemployment* by Philip Klein. The Foundation also prepared *Community Planning In Unemployment Emergencies* by Joanna C. Colcord, a pamphlet bringing "together the recommendations for community action to meet emergent unemployment which have been put forth from time to time as the result of experience by social agencies and their representatives." At the same time the Family Welfare Association of America prepared two pamphlets: *The Administration of Relief in Unemployment Emergencies* by Margaret E. Rich, and *Care of the Homeless in Unemployment Emergencies,* by Harriet E. Anderson and Margaret E. Rich.

That state and local committees might also have specific information on the way certain states and cities were meeting the emergency, the Committee also made available the following state and city reports:

Alabama's Emergency Employment Commission Report
The report, based on an employment survey, "depicts the possibilities of immediate and effective steps for amelioration of those conditions which are now seriously affecting the economic life of the state."

Stabilizing Employment — Employment Stabilization Committee of California State Chamber of Commerce
The report discusses steps taken "to secure collective action on the part of our business people in devising and carrying out plans that will contribute to the solution of the most effective way to best employ our man power in steady activity."

Report of the Connecticut State Emergency Committee on Employment, February 19, 1931

The report describes the procedures and achievements of the Committee and outlines plans which might be adopted "by employers in the state as an approach to a study of unemployment resulting from seasonal variations and cyclical depressions in business."

Report of the Minnesota Employment Commission

The report deals both with meeting the present emergency through provision of winter employment, and with a state program of construction and permanent improvements.

Organization to Promote Employment in the State of Ohio, 1929 and 1930

The report is a detailed record of form of organization and contains a general statement of the results attained.

Alleviating Unemployment, a Report by the Pennsylvania Committee on Unemployment, February 10, 1931

The report includes recommendations pertaining to administrative and legislative measures that the Committee believed would alleviate "some of the distress incident to this and to succeeding depressions." The Committee expressed the belief "that a determined and united effort to concentrate all public works possible during March, April, and May will push industry permanently out of the present depression, so that private industry will be taking over its full activities by Autumn." [7]

City of Cincinnati Program of Permanent Committee for Stabilizing Employment

The permanent committee formed in January, 1929 in Hamilton County, Ohio and Kenton and Campbell Counties, Kentucky, "was not organized as an unemployment committee but as a committee which might prevent unemployment through stabilization in industry." Through its ten sub-committees, however, the committee made provision for handling an unemployment emergency should it arise. As a result of its efforts, the committee brought about cooperation between government, the social agencies, the chamber of commerce, the community, labor, and industry, for the study of the problems of unemployment.

How Harrisburg, Pa., is meeting the Unemployment Situation

The report described the numerous expedients used by the local committee to provide employment opportunities.

Report of the Mayor's Committee on Stabilization of Employment, Buffalo, N. Y.

A Committee, representing the municipality, business, labor, churches, charities, and "almost all major activities of the community" undertook a program to help insure against destitution "by encouraging organized welfare work and sound preparedness for whatever relief may be called for,"

[7] Dr. Joseph H. Willits and Dr. Leonard P. Fox were members of the Pennsylvania Committee.

and to develop ways and means designed to stimulate present employment and prevent excessive unemployment in the future. The committee recognized "a clear cleavage between the task of providing relief and that of creating employment" and adopted a policy "of decentralizing all activities so as to gain maximum results with the least possible upset to the normal course of affairs."

The Industrial Roll of Honor, A Plan Which Has Helped In the Solution of the Unemployment Problem in the City of Petersburg, Va.

Registration of the unemployed and a survey of conditions were used to estimate the number of men who would have to be provided with work to maintain a near-normal employment situation. A volunteer committee enrolled homeowners, business firms, and industrial plants who pledged themselves to provide employment for one or more men in addition to those usually employed for a definite number of days between November and April. Those unable to employ labor made cash contributions.

Pittsburgh Urges Rehabilitation Program

The Pittsburgh Housing Association urged a program of municipal housecleaning — the demolition of unsafe and obsolete buildings, the repair and rehabilitation of dilapidated structures, and a cleaning of vacant lots, streets, and alleys.

Rochester: Organization and Work of Civic Committee on Unemployment

The program of the committee, organized in March, 1930, while recognizing the necessity for certain emergency measures, stressed the undertaking of permanent functions with a view to preventing unemployment. Eight sub-committees whose activities are described were organized: fact-finding, stabilization of employment, construction reserve, temporary employment, public information, relief study, central employment, vocational guidance and training.

The Committee also sent to state and local organizations, pamphlets which were prepared primarily for distribution to industrial organizations: [8]

A Survey of Unemployment Relief in Industry

Outline of Industrial Policies and Practices in Time of Reduced Operation and Employment

Unemployment — Industry Seeks a Solution

Selected Bibliography and Industrial Plans for Regularization of Employment

Company Loans to Unemployed Workers

Emergency and Permanent Policies of Spreading Work in Industrial Employment

[8] The content of these pamphlets is discussed in Chapter V.

Policies and Practices for the Stabilization of Employment in Retail Establishments

Other pamphlets which the Committee distributed were: *Suggestions for Possible Repairs and Improvements in the House and Its Equipment, Modernizing the Home,* and *Spruce Up Your Garden.* The Home Economics Bureau of the Department of Agriculture, at the request of the Women's Division of the Committee, issued a series of weekly low cost food guides — *The Market Basket* — which reached over 4,000 newspapers.

The Committee, moreover, published its own bulletin — *Community Plans and Actions.* In eight issues of the bulletin, were described the workings of specific plans and the treatment of particular problems. The titles of the bulletins were:

Leading Features of Community Organization Based Upon the Experience of over 300 Cities

Providing Employment Through Public and Private Community Construction

Caring for Transient and Homeless Unemployed

Community Action and Industrial Employment

Diversified Community Employment Programs

Home Gardens for Employment and Food

The Godman Guild Community Gardens — A Permanent Food Garden Project Applied to Emergency Needs

Five "Made Work" Programs

At the conclusion of the series of radio talks on institutional construction, the talks were published in a pamphlet, *Institutional Construction, an Avenue to Employment.*

Through the cooperation of the press, radio talks and publications, the Committee's activities were given wide publicity. The press, moreover, carried numerous stories, describing other measures for employment and relief. In the chapters dealing with public works, odd jobs, industry and relief, the cooperation of the press in making available information to states and local communities will be further described.

CHAPTER III

Fact-Finding Activities

As THE Federal agency appointed by the President to develop a program for dealing with the unemployment emergency, the Committee had need of the best available information as to the number, distribution, and condition of the unemployed. To assist the Committee, the Bureau of Labor Statistics and the Children's Bureau of the United States Department of Labor; the Statistical Research Division and the Census Bureau of the United States Department of Commerce; the Russell Sage Foundation, the Family Welfare Association of America, and the Association of Community Chests and Councils made available data on employment and relief and cooperated on fact-finding projects. As the work of the Committee progressed, the Metropolitan Life Insurance Company made a sample census of unemployment; Federal, state, and municipal departments, as requested, submitted data bearing on public employment and construction; the American Federation of Labor, and the American Red Cross and other organizations supplied useful data.[1]

The fact was, however, that there were no data that would enable the Committee to establish a figure which would accurately indicate the total number of unemployed or the number of those needing direct relief.[2]

In October, 1930, the Department of Commerce prepared an estimate of the number of unemployed in August 1930. The basis of the number, 3,500,000, was two categories of the April census of unemployment; (a) the number of persons usually gainfully employed, able to work and looking for work on the day before the enumerator called; and (b) persons having jobs but on lay-off without pay, excluding those sick or voluntarily idle. The preliminary figures for the first category were available by counties for each state, by states for the United States as a whole, and for cities of 100,000 inhabitants or more. The preliminary tabulations for the second category were but partially complete. In bringing

[1] Dr. Joseph H. Willits was chairman and Dr. Bryce M. Stewart, a technical adviser, of the President's Advisory Committee on Unemployment Statistics, which submitted its report in February 1931.

[2] For example, the employment indices of the Bureau of Labor Statistics and of state bureaus compiling such indices were based on monthly reports of number of employees and payroll totals from representative firms. Consequently they did not show the total employment and earnings of the group covered, but only a sample. None of the Governments — Federal, state, county or municipal — were reporting on their own monthly employment to the Federal or State Bureaus of Labor Statistics. From the standpoint of geographical representation the state employment indices were confined to comparatively a few northern states.

the April figures up to date the bases were modified by the monthly indices of employment for manufacturing and various non-manufacturing industries maintained by the United States Bureau of Labor Statistics and by data obtained from the Federal Reserve Board, the Interstate Commerce Commission and other sources.

On November 11, 1930, the Department of Commerce prepared estimates of the "minimum number" of unemployed, month by month, from January, 1929, to September, 1930, inclusive.[8] A forecast of unemployment for the months of October, November, and December, 1930, was also made. The number of unemployed for September was estimated to have been 3,360,000, or 140,000 less than the earlier estimate for August. The decrease, due primarily to seasonal causes, was not considered significant. In fact, the forecast indicated that there would be an increase in unemployment in October, and that for November and December the total number of unemployed would pass the four million mark.

In view of the limitations of the figures available, the Committee believed that they should be supplemented by a sample census. At the time the Federal authorities did not deem it advisable for the Census Bureau to undertake any but a nation-wide sample census, which would cost about $1,000,000 and the results of which would not be available for some months. The Committee, therefore, turned to the Metropolitan Life Insurance Company, which had offered to cooperate, and which, in other depressions, had made surveys of unemployment among its policy holders. On November 20, the press was notified that a survey of unemployment would be made early in December among the insurance company's industrial policy holders in some forty cities.

On the mornings of December 8 and 9, 213,787 families in forty-six of the larger cities of the country were canvassed on the basis of a schedule prepared by representatives of the Company and the Committee. The schedule included the following items:

1. The number of persons in family
2. The total number of wage and salary workers in family, whether at work or not

	1929	1930	
[8] January	2,460,000	2,970,000	
February	2,400,000	3,170,000	
March	2,040,000	3,170,000	
April	1,760,000	3,000,000	(Census)
May	1,450,000	2,860,000	
June	1,120,000	2,800,000	
July	980,000	3,200,000	
August	850,000	3,480,000	
September	460,000	3,360,000	
October	780,000	3,500,000	(Forecast)
November	1,680,000	4,200,000	"
December	1,900,000	4,200,000	"

3. The number of wage or salary earners working full time or part time in the previous week
4. Number of able-bodied wage or salary earners out of work of any sort
5. Color of family
6. Wage or salary workers out of work of any sort in the previous week, classified by sex, age, occupation, industry or business, and duration of unemployment.

The forty-six cities, with a total population of 28,296,849, in which the census was to be taken were:

Akron
Atlanta
Baltimore
Birmingham
Boston
Bridgeport
Buffalo
Butte
Chicago
Cincinnati
Cleveland
Columbus, Ohio
Denver, Colo.
Des Moines
Detroit
Fall River
Grand Rapids
Indianapolis
Jacksonville
Kansas City, Mo.
Los Angeles
Louisville
Manchester, N. H.
Memphis
Milwaukee
New Orleans
New York City
Oakland, Calif.
Oklahoma City
Omaha
Philadelphia
Pittsburgh, Pa.
Portland, Maine
Portland, Oregon
Providence, R. I.
Richmond, Va.
Rochester, N. Y.
Salt Lake City
San Francisco, Calif.
Seattle
St. Louis
Toledo
Wichita, Kans.
Wilkes-Barre
Wilmington, Del.
Winston-Salem, N. C.

The results of the survey, which were available to the Committee late in December, indicated a situation more serious than that shown by the government estimates. The Senate in Resolution 409, called for the figures; and Colonel Woods, under date of January 24, dispatched the results of the survey to the Senate accompanied by a letter from Frederick H. Ecker, President of the Metropolitan Life Insurance Company, and an analysis of the figures made by Government statisticians for the President's Emergency Committee for Employment.

In his letter Mr. Ecker called attention to the fact that the survey was limited to forty-six of the larger cities of the country, where industry was more concentrated, and where unemployment was usually most severe; that in any year the first week of December was a period when because of inventory taking and other seasonal factors "unemployment is higher than in other periods"; that the generally accepted view was that the industrial policy holders showed higher unemployment rates than the community as a whole; and that the definition of unemployment had "of necessity to be so general as to include a small number of persons who were not strictly employable . . . a small number of sick persons and others who were not actively seeking employment."

As estimated by the government statisticians, the total unemployment in the first week of December, 1930, was between 4,500,000 and 5,000,000, or approximately 10 per cent of the total number of persons with gainful occupation. The total figure was characterized as "only a very rough approximation, being based upon a number of assumptions that unfortunately can not be verified at the present time." [4]

The enumeration covered 213,787 families in which there were 886,929 adults and children, and 355,759 wage or salary earners. The enumerators found that a total of 271,132 workers were employed on December 8 and 9; 195,309 or 71.9 per cent working full time; and 75,823, or 28.1 per cent working part time. The wholly unemployed wage or salary workers numbered 84,627.

Further analysis of the figures indicated that on the average for every 1,000 families, there were 1,700 wage or salary earners of whom 933 were employed full time, 362 employed part time and 405 wholly unemployed. As a large proportion of the families canvassed had more than one wage earner, the proportion of families entirely without wage income was smaller than the proportion of workers wholly unemployed.

Before the results of the survey of the Metropolitan Life Insurance Company were published the Census Bureau reconsidered its decision not to make a special census of unemployment. On January 4, 1931, announcement was made that beginning January 15, an unemployment recount would be made under the direction of the Director of the Bureau of the Census. The announcement stated: "This survey, including as it does, a check-up through nearly one-sixth of the entire population of the United States, and extending into all of the major geographical divisions, not only will give an accurate picture of unemployment numbers . . . but will give a good idea of the national trend. . . . It is hoped that the findings can be reported within a short time after the field work is finished, say by the middle of February, thus the statistics may be applied to conditions which still are current when the report is made."

The results of the survey, however, were not made available until March 20, the last returns not being received in the Census Bureau until March 2. A complete canvass was made of the entire population of nineteen cities with the exception that in New York only Brooklyn, Bronx and Manhattan boroughs were covered. The total number of persons reported as out of a job, able to work and looking for work in January 1931, was 1,930,666, or 9.4 per cent of the total population as compared

[4] In an article published February 6, Frances Perkins, State Industrial Commissioner of New York, interpreting the Metropolitan Survey arrived at a "conservative estimate" of 7,000,000 unemployed.

with 775,565, or 3.8 per cent of the total population in April, 1930. The total number of persons returned as having jobs but not working and not receiving pay on the day before the call of the enumerator, excluding those sick or voluntarily idle, in January 1931, was 368,149, or 1.8 per cent of the total population as compared with 138,572, or less than one per cent of the total population in April 1930. By applying the percentage of increase found in the nineteen cities to the entire number of jobless reported for the United States in April 1930 Census, the number of jobless in January 1931 was estimated at 149 per cent greater than the total of 2,429,062 reported in April, or 6,050,000. This estimate assumed that the percentage increase of unemployment since April had been as great in the rural areas and smaller cities as in the larger cities covered in the census, and also that there had been no migration of unemployed persons from the smaller towns and rural regions to the larger centers of population. If, as had been reported, there was such a movement there was reason to believe that the total number of jobless was somewhat less than the estimated 6,050,000.[5]

With eight to ten per cent of the gainfully employed population estimated as engaged directly or indirectly on governmental work and with the Committee urging public authorities to maintain and increase employment, it was deemed essential to secure employment data in this field which was not covered by figures published by the United States Bureau of Labor Statistics or by the State bureaus. On November 28, 1930, Colonel Woods telegraphed the mayors of 363 of the larger cities, asking them to report the number of persons employed part time and full time on municipal work of all kinds in mid-October and mid-November, 1930, and if possible, in mid-November, 1929. The request was further made that these totals be sub-divided to show:

(a) All workers employed directly by the city,
(b) Workers employed on city work by contractors,
(c) Workers on city work paid by philanthropic and other civic organizations.

In response to the telegrams the Committee received statistics from 291 cities, only a few of the largest being included. The figures showed

[5] "*The New York Times*, in an editorial on March 23, commenting on the census said: 'No longer ago than December 2, when the President sent his annual message to Congress, he accepted the census figure of the previous April giving the number of unemployed as 2,500,000.' . . . The President added that there had been 'some decrease in employment' since the taking of the census but that we had to remember the fact that there are nearly always about 1,000,000 unemployed who are 'not without annual income but temporarily idle in the shift from one job to another.' All this reads painfully wide of the mark when set beside statements now of his own Secretary of Commerce. At the very time when the President was sending his message to Congress the Department of Commerce figures there were no less than 4,900,000 out of work. This shows again how unlucky the President has been in his predictions and arithmetic."

an increase in employment of 1.1 per cent as between October 15 and November 15, 1930, and of 10.1 per cent as between November 15, 1929 and November 15, 1930.

On December 1, 1930, a similar telegram was sent to all State Governors; and shortly thereafter the Committee requested a report on state funds immediately available for public works. The figures on employment furnished by thirty states indicated that the number of state employees had declined 3.7 per cent as between October 15 and November 15, 1930, and increased 6.5 per cent as between November 15, 1929 and November 15, 1930. The construction statistics from thirty-seven states indicated $117,046,343 available on October 15, 1930, and $98,052,271 on November 15, 1930 — a decline of 16.2 per cent. The inference drawn from the figures was that monies in hand were being expended rapidly.

Although the United States Civil Service Commission was issuing a monthly report showing the number of employees of the Executive Civil Service working in the District of Columbia, the report did not include the service outside the District, nor furnish any information on payrolls. The Committee, therefore, requested the government departments to furnish these supplementary data.

Employment figures furnished by 27 out of 34 units of the Federal Government, indicated that between October 15, 1930 and November 15, 1930, there was a decline of 0.1 per cent in the District of Columbia, and of 1.9 per cent outside the District; and that as between November 15, 1929 and November 15, 1930, there was an increase of 14.5 per cent in the District and a decline of 1.3 per cent outside the District. Between November 15, 1929, and November 15, 1930, the number of employees increased 14.5 per cent in the District and declined 1.3 per cent outside the District, and payrolls within the District increased 21.8 per cent and 10.8 per cent outside the District.[6]

As a further part of the Committee's effort to secure figures on governmental employment, steps were taken with the United States Bureau of Public Roads to develop monthly figures on employment on highways throughout the country. The Bureau prepared a form which was sent to the road authorities in every state and on which they were requested to list all active Federal-aid and state projects. Lists prepared by the state authorities were to be forwarded to the District Engineers of the Bureau who were supplied with two forms: one, for monthly reports of men employed in highway construction; two, for monthly reports of men employed on highway maintenance. Until such time as the reporting on employment became routinized it was agreed between the Com-

[6] In May the Committee turned over to the United States Bureau of Labor Statistics the figures which had been collected with reference to public employment.

mittee and the Bureau that it was best to postpone any attempt to secure figures on earnings.

In order to secure the best available information on the relief situation throughout the country the Committee turned to the Family Welfare Association of America, the Association of Community Chests and Councils, the Russell Sage Foundation, the Red Cross, and the Children's Bureau in the Department of Labor.

In November 1930, cooperating with the Committee, the Family Welfare Association and the Association of Community Chests and Councils sent questionnaires to their members located in over 200 communities. The questionnaire of the Family Welfare Association sought the following information:

> "The adequacy of the present or contemplated resources of the local family welfare agencies to relieve distress among the unemployed;
>
> "The amount of additional funds needed in the community, where funds available or in sight are insufficient;
>
> "What other relief plans are under way under the auspices of churches, civic clubs, lodges and fraternal groups, labor unions, newspapers and other organizations;
>
> "The extent of relief available or in sight from public or tax-supported governmental departments — city and state;
>
> "Authentic estimates as to the present number of unemployed in specific communities, and a description of the plans under way for the creation of emergency work for the unemployed, the speeding-up of long-time public works projects, and the prevalence and degree of success of 'Give a Day's Work' campaigns." [7]

The questionnaire of the Association of Community Chests and Councils covered such points as: the scheme for unemployment relief, the sources of material relief funds, the adequacy of relief sources, the possibility of supplemental appeals, census of unemployment, existence of state-wide and local committees, types of employment provided, rate of pay, and care of transients.

The questionnaires, as returned by the local members of the two national organizations, were transmitted to the Committee, who found them a valuable guide in forming policy.

The Russell Sage Foundation and the Children's Bureau supplied the Committee with their monthly relief statistics for approximately 100 cities of 50,000 population and over. The Foundation, moreover, prepared a chart of the relief loads of several family service societies during and after the 1921 depression. The chart, when compared with the trend of employment, indicated that although the low spot in terms of em-

[7] Press release dated November 15, 1930.

ployment in the depression of 1921 came about mid-summer, the peak of the relief load did not appear until early in 1922, about nine months after the resumption of continuous improvement in business. The relief chart reinforced the opinion of the Committee that the burden would continue to increase for nearly a year after a permanent trend towards improvement in the general situation developed.

At the request of the Committee the Children's Bureau undertook to assemble data on the cost of family relief in 100 cities of 50,000 population and over in 1929 and 1930. The results of the survey, which were published in pamphlet form, indicated that the cost of direct aid to families in need during 1930 in the 100 cities was $39,397,480, as compared with $20,891,726 in 1929, an increase of approximately 89 per cent. Sums expended for missions, municipal lodging houses, and other agencies providing individuals with temporary shelter or food; expenditures by agencies giving relief to veterans only; and mothers' pensions and mothers' allowances were not included in the total figures.

A comparison of relief given by public and private agencies based on returns from 75 of the cities indicated that 72 per cent of the amount given in 1930 came from the public treasury as compared to 60 per cent in 1929. With Detroit omitted where funds for relief were nearly all derived from taxation, the tax payer "footed the larger part of the 1930 relief bill (56 per cent)."

The report further indicated that in cities of 100,000 and over the increase in expenditures was 92.3 per cent as compared with 57.9 per cent in cities with a population of 50,000 to 100,000. With reference to percentage of increase by geographical divisions, it was stated that in New England the increase of 1930 over 1929 was 51.7 per cent; in the Middle Atlantic States 59.3 per cent; in the South Atlantic States 22.7 per cent; in the North Central States 163.9 per cent; in the South Central States 34.5 per cent; and in the Pacific and Mountain States 49.5 per cent.

In the spring and summer of 1931 the Bureau of the Census undertook two surveys for the Committee, which was then developing its program looking towards the winter of 1931–32. The Committee, in asking the Bureau of the Census to undertake these surveys had in mind two objectives: one, to check the progress of the public works movement in cities and states; and two, to have available comparative data as to expenditures for relief during the first three months of 1929 and of 1931.

On September 16, the Census Bureau submitted its final report on outlays for permanent improvements, including highways and streets, for 33 states and 187 cities. For 23 states, for which statistics were available for 1928, 1929 and 1930, expenditures were respectively $304,483,749, $327,656,991, and $403,071,769; the expenditures for 1930 being

32.5 per cent greater than in 1928. For these same states it was estimated that in 1931, $430,674,977 would be spent; and in 1932, $438,624,683.

For 130 cities for which figures were available for 1928, 1929 and 1930, the amounts expended were respectively, $348,248,648, $323,604,664, and $349,446,155. Whereas expenditures for 1930 practically equalled those for 1928, it was estimated that in 1931 there would be a decrease to $288,319,614, or 17.5 per cent, and for 1932 to $271,899,059, or 5.7 per cent from 1931 to 1932.

In January 1932, a pamphlet report — *Relief Expenditures by Governmental and Private Organizations* — was published by the Bureau of the Census. The data for the report were supplied by the Children's Bureau, the Russell Sage Foundation and the Census Bureau. The periods covered were the first three months of 1929 and 1931. The area covered included all of the 93 cities of 100,000 population and over, all but one of the 217 cities of from 30,000 to 100,000; 4,863 out of 5,938 cities or incorporated places of from 1,000 to 30,000; 6,353 smaller incorporated places, and 1,716 counties out of a total of 3,073. The total population of the cities or other incorporated places covered by the report represented 89.2 per cent of the total population of all cities and incorporated places, and 57.4 per cent of the total population of the United States; and of the counties, 34.2 per cent of the total population of the United States.

The survey, which was the only authoritative report of nation-wide expenditures for relief, indicated that total expenditures, including cost of administration, reported by governmental and privately organized agencies for family relief (outside of institutions) and for relief to homeless men, in the areas for which returns were received, amounted to $22,338,114 in January, February, and March, 1929, and to $73,757,300 during the corresponding period of 1931. The number of families reported as receiving relief averaged 333,861 per month in the first three months of 1929 and 1,287,778 per month in the first three months of 1931. Due to the fact that a number of agencies were providing relief in most cities, "there was doubtless some duplication in a number of families and individuals." Furthermore, as, in the case of many agencies, the cost of administering relief could not readily be segregated, and only the amount of relief granted was reported, the report stated that while the amounts expended were undoubtedly to be taken as understatement, they afforded the best measure which it had been possible to secure.

CHAPTER IV

Public Works and Semi-Public Works[1]

DURING the years preceding the depression many leaders of economic thought explored the possibilities of expanded programs of public works as a means of favorably influencing employment and the trend of business in a period of recession. Believing that such programs, if properly limited to necessary and carefully planned projects, would materially increase employment, the Committee made recommendations involving increased expenditures for roads and buildings and acceleration of authorized projects for which appropriations had been made; repeatedly stressed the importance of enlarging state and local public works programs wherever practicable; and urged semi-public bodies to expand their construction activities if feasible.

In carrying out its program, the Committee functioned through staff members working closely with officials of the Federal Government; through regional advisers working directly with state and local officials; through the Public Works Sections following up individual projects in all parts of the country; and through the press and radio.

While the Committee was of the strong opinion that the Federal Government should set the example in an expanding public construction program, and recommended emergency expenditures, the Committee in no wise favored a program which would involve the Federal Government in the expenditure of billions on an experimental venture to cure the depression.

The Committee, in its activities with reference to public works was guided by the thought that once business was "at the bottom" there would be a long slow period of recovery, and that plans should therefore not be made on a basis of four to six months only, but on a basis which would cover the winter both of 1930–31 and of 1931–32. The President, it has been noted, while favoring temporary expansion of Federal activities "in aid to unemployment during the winter," was of the strong opinion that the volume of construction work in the Government was already "at the maximum limit warranted by financial prudence as a continuing policy," and that the immediate problem was to increase employment "for the next six months."

FEDERAL PUBLIC CONSTRUCTION

During the period from 1925 to 1929 inclusive, it is estimated that annual construction for the United States, exclusive of work

[1] See appendix C.

done by pipeline, gas, telegraph, and waterworks companies, was as follows: [2]

	(In Millions of Dollars)				
	1925	*1926*	*1927*	*1928*	*1929*
Private (Total)	5,237	5,365	5,175	5,416	4,451
Railroads and Public Utilities (Total)	2,851	2,935	2,933	2,900	3,265
Public					
Cities	1,283	1,302	1,482	1,422	1,339
Counties	778	676	885	829	556
States (Excl. Fed. Aid)	411	404	438	502	576
Federal (Incl. Fed. Aid, Excluding D. C.)	245	230	240	270	305
Public (Total)	2,717	2,612	3,045	3,023	2,776
Grand Total	10,805	10,912	11,153	11,339	10,492

For the period 1925 to 1929 inclusive, public construction annually averaged slightly over one-fourth of total construction. For the same period, construction by the Federal Government annually approximated 10 per cent of public construction and 2.4 per cent of all construction. In the emergency, however, because of their wide distribution and prominence, the construction projects of the Federal Government, with its credit unimpaired, took on an importance far in excess of the money outlay involved. They literally became the focal point of promotional activities designed to increase public and semi-public expenditures for public works as a means of alleviating the unemployment situation.

For the calendar year 1930, it is estimated that total construction declined from $10,492,000,000 in 1929 to $9,250,000,000 or over 11 per cent.[3] On the other hand, it is estimated that total public construction was $3,300,000,000, an amount substantially in excess of expenditures in any of the five years immediately preceding, and comprising 35.6 per cent of all construction compared with the five-year average of some 26 per cent. In the calendar year 1930, Federal public works increased from $305,000,000 in 1929 to $390,000,000, and comprised 4.2 per cent of all construction compared with the five-year average of 2.4 per cent.

Speaking of Federal construction activities during 1930, the President, in his Message to Congress on December 2, stated that the Federal Government, as a contribution to the situation:

> "engaged upon the greatest program of waterway, harbor, flood control, public building, highway and airway improvement in all our history. This, together with loans to merchant

[2] Figures prepared by the Federal Employment Stabilization Board, March 1933.
[3] In the total, construction by pipeline, gas, telegraph and waterworks companies is omitted.

> shipbuilders, improvement of the navy and in military aviation, and other construction work of the government will exceed $520,000,000 for the fiscal year. This compares with $253,000,000 in the fiscal year 1928. The construction works already authorized and the continuation of policies in government aid will require a continual expenditure upwards of half billion dollars annually."

The activities of the Committee with reference to Federal public works may be said to have had four objectives: one, increased appropriations particularly for highways; two, enactment of legislation which would make possible acceleration of the Federal program as a whole; three, the removal of causes of delay with reference to individual projects; and four, enactment of legislation for advanced planning.

FEDERAL-AID HIGHWAYS

As evidence from all parts of the country indicated that highway construction was perhaps the soundest form of relief for unemployment, and that programs already in process and plans for additional mileage required only the appropriation of necessary funds to provide immediate work for thousands of unemployed, the Committee soon became convinced of the desirability of increased Federal-aid highway appropriations.

In order to bring about cooperation between all state highway officials and the Federal Government, Colonel Woods suggested to the president of the American Association of State Highway Officials that a committee be appointed to work with the President's Emergency Committee for Employment and the Department of Agriculture. The suggested committee was appointed, and on November 22, a conference was held between the President's Committee and the representatives of the Association.

After the conference the office of Colonel Woods issued a press release without official comment but with the statement, "it is known to regard road construction as a practical and economical means of furnishing relief through added employment." The release stated in part:

> "An emergency Federal appropriation of $250,000,000 to be used immediately for aid in constructing public highways was urged today by a group of five delegates speaking officially for the American Association of State Highway Officials, at a conference with the President's Emergency Committee for Employment. . . .
>
> "This recommendation, offered in view of the existing slackness of work due to drought and industrial depression, was accompanied by a further recommendation that the Federal Aid Act of 1916 be amended to permit the United States Government to aid the states to a maximum of 50 per cent of the

cost of construction instead of a maximum of $15,000 per mile, as now provided. The delegation appearing before the Emergency Committee further urged that the emergency appropriation of $250,000,000 be accompanied by Congressional action permitting an advance of funds to the several states to be used in lieu of the state funds which, under the existing law, must be matched with Federal aid, provided, however, that the respective states agree to match the funds out of their future revenues and that the Federal advances be charged against future allocations under the existing law.

"If the recommendations of the State Highway Officials were to be accepted by Congress it would mean that a total of $375,000,000 might be expended out of the United States Treasury for aid in road building, since available balances up to $125,000,000 per year can be used under the plan of Federal and state cooperation now in force." [4]

On November 24, a further statement was issued to the press to the following effect:

"The President's Committee met with the Executive Committee of the Association of State Highway Commissioners. The latter presented their program of road development in the emergency. The Committee was deeply interested and anxious to help in providing the best program from the standpoint of public need and from the standpoint of coping with the present unemployment situation.

"It is felt by the Committee and by economists generally that the carrying out of a broad and comprehensive public roads program at a time like this is one of the soundest procedures to meet a situation of depression because it not only employs labor and materials necessary in its actual construction, but also utilizes a background of additional labor to provide the materials and the effective completion of such a program. It is estimated that for every man actually employed in working on a road, three other people become gainfully employed as a result, not only in the supplying of materials and equipment, but in other industries all along the line.

"While various proposals and suggestions have been before the Committee, for instance such as the building of new trans-continental highways, their opinion is that this plan is not now needed; at any rate is not needed as much as other roads. They feel that a new trans-continental highway is not as vital as other types of highway construction. Several types of roads are essential from a broad economic standpoint and such roads, it was stated, not only would tend to alleviate the present situation, but would definitely contribute to broad valuable economic improvement.

[4] The recommendations were based on resolutions passed November 19, by the American Association of Highway Officials at its convention in Pittsburgh. Porter R. Lee, a member of the President's Emergency Committee for Employment, addressed the convention on the same day, describing the activities of the Committee.

"The Committee is in favor of the furtherance of three types of roads as follows:

"Main Highways

"At present main highways leading into large centers of population have to absorb an increasing amount of traffic as they near the large cities. This congestion is not only annoying from every standpoint, but creates an economic loss of time and effort. It is recommended that these main highways leading into large cities be widened and improved in order that they may take care of the traffic that feeds into them more and more as they approach closer to large centers. It is recommended that where additional highways of this character are needed such highways be built.

"By-Pass Roads

"It is recommended that more roads be built leading around large centers of population. The motorist in going on through trips from one large city to another so often loses time and effort in trying to pass through intermediate cities. He adds to the traffic congestion in those communities not only encountering difficulties for himself, but making them for the residents of the town. By skirting around cities this congestion and trouble can definitely be relieved. Migratory traffic from city to city that otherwise would have to pass through cities finds it easier and sounder going.

"Other Roads

"Under present arrangements the roads built by a combination of state and Federal cooperation are main interstate and inter-county highways. The Committee is interested to see an extension of this system as rapidly as practicable in such a way that more roads serving more remote farming sections may be developed.

"The matter of financing these roads was briefly commented upon by Colonel Woods in his first announcement. It was stated the Committee would make every effort to put itself squarely behind an expanded road building program and that it would do all in its power to expedite the planning and final development of this program.

"The exact method of financing, however, and whether any change could be made in the existing method was one for Congressional action. . . ."

On November 25, in a radio address on good roads, Colonel Woods emphasized the importance of highway construction in bringing about "a return to business stabilization by employing labor, and by buying materials . . . when they are cheap and when their use will be important in restoring normal business conditions." Colonel Woods further called attention to the fact that the seasonal character of road con-

struction was to a considerable extent a matter of custom and habit rather than of climatic conditions. He did, however, point out that the extension of the working season into the winter had to be done with understanding.

Concluding his remarks, Colonel Woods said:

> "Grading, quarrying and hauling can be done in winter even in cold climates, and such work should be speeded up this winter beyond the customary schedules, in order to give employment. For when men need the work, and the work needs to be done, we must not let red tape impede us, nor mere custom stand in our way.
>
> "I am informed by the United States Bureau of Public Roads that there is approximately $162,000,000 of unused Federal funds available for aiding new construction. . . . These funds must be matched by state funds.
>
> "I venture to go into this matter tonight in order that all may have an understanding of the background of the question if it should become a public question in your community."

On the basis of information secured from the Association of State Highway Officials and from other sources, the Committee in a confidential memorandum recommended to the President that he ask Congress, when it assembled in December, for authorizations and appropriations in the sum of $840,000,000. Of this sum $365,000,000 would be spent for the extension and acceleration of the cooperation (over and above normal Federal aid) of the Federal Government with the states for the construction of highways; $355,000,000 for needed public improvements, planned and authorized, for which no appropriation had been made; and $120,000,000 for miscellaneous government work.[5]

In urging that $365,000,000 be recommended to Congress in addition to regular appropriations for highways, the Committee proposed the temporary removal of restrictions on Federal-aid construction in line with the recommendations of the Association of State Highway Officials. The Committee further emphasized the fact that approximately $250,000,000 of the $365,000,000 could be put under way in six months, and that an enlarged program by the Federal Government would lead to similar action by states whose funds were reduced due to expanded road programs in 1930.

The President considered the Committee's proposals; but he concluded that such increased Federal expenditures as the Committee had proposed were imprudent. He also felt that the removal of restrictions on Federal-aid construction as recommended by the Committee was unwise. After calling attention to the fact that the Federal program in

[5] For further discussion of the recommendations aside from those for roads, see page 47.

the current fiscal year would exceed $520,000,000 as compared with $253,000,000 in 1925, the President said: [6]

> "I favor still further temporary expansion of these activities in aid to unemployment during this winter. The Congress will, however, have presented to it numbers of projects, some of them under the guise of, rather than the reality of, their usefulness in the increase of employment during the depression. There are certain common-sense limitations upon any expansions of construction work.
>
> "The government must not undertake works that are not of sound economic purpose and that have not been subject to searching technical investigation, and which have not been given adequate consideration by the Congress. The volume of construction work in the government is already at the maximum limit warranted by financial prudence as a continuing policy. To increase taxation for purposes of construction work defeats its own purpose, as such taxes directly diminish employment in private industry. Again any kind of construction requires, after its authorization, a considerable time before labor can be employed in which to make engineering, architectural, and legal preparations.
>
> "Our immediate problem is the increase of employment for the next six months, and new plans which do not produce such immediate result or which extend commitments beyond this period are not warranted.
>
> "The enlarged rivers and harbors, public buildings and highway plans authorized by the Congress last session, however, offer an opportunity for assistance by the temporary acceleration of construction of these programs even faster than originally planned, especially if the technical requirements of the laws which entail great delays could be amended in such fashion as to speed up acquirements of land and the letting of contracts.
>
> "With a view, however, to the possible need for acceleration, we, immediately upon receiving those authorities from the Congress five months ago, began the necessary technical work in preparation for such possible eventuality. I have canvassed the departments of the Government as to the maximum amount that can be properly added to our present expenditures to accelerate all construction during the next six months, and I feel warranted in asking the Congress for an appropriation of from $100,000,000 to $150,000,000 to provide such further employment in this emergency. In connection therewith we need some authority to make enlarged temporary advances of Federal highway aid to the States.
>
> "I recommend that this appropriation be made distributable to the different departments upon recommendation of a committee of the Cabinet and approved by the President. Its ap-

[6] Federal expenditures for the calendar year 1930, were $390,000,000 and for the calendar year 1931, $510,000,000. See Appendix C.

plication to works already authorized by the Congress assures its use in directions of economic importance and to public welfare. Such action will imply an expenditure upon construction of all kinds of over $650,000,000 during the next twelve months."

Within three weeks Congress acted upon the President's recommendations; and on December 20, 1930, he signed a bill appropriating $116,500,000 for emergency construction work for the aid of the nation's unemployed. Of this sum $80,000,000, which represented an advance and not a gift to the states, was for Federal-aid highway construction. The section of the bill covering this appropriation read:

> "The President is authorized to apportion to the several states under the provisions of the Federal Highway Act, as amended, any part of the appropriation herein made as a temporary advance of funds to meet the provisions of such Act as to state funds required on Federal-aid projects. The sums so advanced to be reimbursed to the Federal Government over a period of five years, commencing with the fiscal year 1933, by making deductions from regular apportionments made from future authorizations for carrying out the provisions of such Act as amended and supplemented: Provided, That the amounts apportioned in consequence hereof shall be limited in each case to the sum actually paid out by a state for work performed before July 1, 1931, for the construction of Federal-aid projects: Provided further, That should any state fail to claim any part of its allotment hereunder the President may reapportion such unclaimed funds to states capable of using them prior to July 1, 1931." [7]

While the funds recommended by the President and made available by Congress for emergency Federal-aid highway construction were short of the $365,000,000 proposed by the Committee, and while no provision was made for increasing the amount of Federal participation beyond $15,000 per mile, nor for extending the Federal-aid system to roads serving the more remote districts, it is of interest to note the progress of the Federal highway program during the early months of 1931.

On January 28, 1931, on the basis of information furnished by the Bureau of Public Roads, the Committee announced that advance Fed-

[7] On January 2, 1931, the *United States Daily* quoted Secretary Hyde as having informed the President that a total of $300,736,678 might be expended by Federal and state governments on public highway construction during the calendar year 1931, provided that the states appropriated the necessary sums to match Federal-aid. This sum was the result of the $80,000,000 advanced or loaned to the states for highway improvements, plus $88,568,446 of Federal-aid required to match the advanced funds, the difference, $8,568,446, being for roads in national parks, which the states were not required to match. Further, on December 1, 1930, the Federal Government had on hand a balance of $66,815,431, which was as yet unmatched by the states and which could be matched by the states appropriating $65,352,801, the difference between the two figures being in states where the government maintained the roads in national parks without assistance from the states.

eral funds, with state cooperation, had brought winter employment on Federal-aid highways up to the normal spring level. During December 16,493 men were employed on Federal-aid road work, a number 50 per cent greater than the 10,946 employed in the previous December. In March, Federal-aid highway construction let, amounted to $52,356,395, as against $12,108,763 in March 1932; and by the end of the month, work was under way on a road mileage practically equal to that under construction in July 1930. By July 1, according to the statement of T. H. MacDonald, Chief, United States Bureau of Public Roads, before the annual convention of the American Association of State Highway Officials on September 29, 1931, the total going Federal-aid program, including emergency and state funds, amounted to a total cost of approximately $447,500,000, of which the total Federal share was $275,250,000. Mr. MacDonald further stated that had it not been for the $80,000,000 emergency appropriation for 1931 the total of the year's construction program would have fallen off "by very much more than the amount of this fund for two reasons: first, a number of the states because of the accelerated program of the preceding year and for other causes, were not able to meet the regular Federal-aid in full; and second, the proceeds of bond issues in a number of states, which had helped to swell the construction program for 1930, were exhausted."

Discussing the acceleration of the highway construction program Mr. MacDonald stated that in 1929, when the construction was not forced, it required the full twelve-month period to obligate $75,000,000 of Federal-aid funds; that in 1930 this amount was obligated by July 10, and that in 1931 $75,000,000 of the combined regular Federal-aid and emergency fund were obligated by March 1, and by May 30, approved projects to the amount of $172,000,000 Federal-aid and emergency funds were under way.

To quote Mr. MacDonald:

> "This is the record only of new work. It does not include Federal-aid projects previously placed under way but uncompleted, and does not include the state construction and maintenance program without Federal funds. Such a record of work placed under way, all on the basis of standard plans and specifications prepared by the state highway departments and approved by the Bureau of Public Roads, was only possible because of prepared and competent organizations already functioning."

Discussing the number of men employed on highway programs, Mr. MacDonald further said:

> "Through the helpful cooperation of the states the number directly employed is definitely known. Starting with the total

of 148,600 employed on the state and Federal highway programs in January 1931, there was as rapid increase as weather conditions permitted. In May the total passed 300,000, for July was 386,659, and the August preliminary figure is 384,000. Of the July total 164,691 were employed on Federal and Federal-aid projects, 112,681 on state and state-aid construction, and 109,287 on maintenance."

ACCELERATION OF THE FEDERAL PUBLIC CONSTRUCTION PROGRAM

As previously noted and as stated in his Message of December 2, the President was of the belief that the volume of construction work in the Government was already at the maximum limit warranted by financial prudence as a continuing policy.

While not favoring greatly increased appropriations, the President was of the opinion that the enlarged rivers and harbors, public buildings and highway plans already authorized offered "an opportunity for assistance by the temporary acceleration of construction of these programs even faster than originally planned, especially if the technical requirements of the laws which entail great delays could be amended in such fashion as to speed up acquirements of land and the letting of contracts."

Having canvassed the departments of the Government as to the maximum amount that could be properly added to present expenditures "to accelerate all construction during the next six months," the President recommended an appropriation of from $100,000,000 to $150,000,000 "to provide such further employment in this emergency." As noted, Congress promptly made available $116,500,000, $80,000,000 of which was earmarked for advances to the states for Federal-aid highway construction and which was to be reimbursed to the Federal Government by deductions from regular apportionments over a period of five years.

The matter of appropriations determined, the Committee cooperated with the Government departments and members of Congress to expedite the Federal program of public construction. In its activities the Committee worked for amendment of those technical requirements of the laws entailing great delay and for acceleration of authorized projects for which appropriations had been made.

In a radio talk describing the normal course of procedure for a Federal building project a member of the Committee said in part: [8]

> "After Congress has specifically authorized a project and made the necessary appropriation, a site must be selected. Ordinarily the site must be comparatively large and be in or near the center of the community. Some owners have property they wish to sell, if they can get their price. Others have prop-

[8] Lewis Meriam, National Broadcasting System, December 2, 1930.

erty the Government wants but they do not wish to sell and be turned out of their present, well-located quarters. Unless the Government can find a suitable site at reasonable price, it must institute condemnation proceedings in the courts. Under existing law the Government can not take possession of the desired site until the court had made final awards in the condemnation suit. Condemnation proceedings are conducted by the Department of Justice.

"The Department of Justice examines the title to all the property involved. Under the law no money can be spent on plans or buildings until a clear title is vested in the United States.

"After title is vested the plans and specifications are prepared, generally in the office of the Supervising Architect in the Treasury Department. The law permits the Supervising Architect to employ private architects, but this power is not often used, except for large buildings. Some time is used in getting the various departments which will use the buildings to examine the plans and see that the plans are suited to work in the building.

"When plans and specifications have been drawn, all contractors who wish to bid for the construction must be given a reasonable opportunity. The Government necessarily uses the method of public competitive bidding. On large buildings contracts for clearing the site, excavating, and building the foundation may be let before the contract for the superstructure.

"Construction does not begin until all these steps have been taken. None of these steps can safely be omitted. Probably all can be expedited."

On December 19, Senator Smoot, Chairman of the Senate Finance Committee, and Colonel Woods, participating in a sound reel, discussed steps being taken to cut "red tape" as follows:

Colonel Woods: "I knew you would agree, Senator, that we cannot allow red tape to interfere with human welfare."

Senator Smoot: "That's right, Colonel. President Hoover's Emergency Committee for Employment has been very helpful in suggesting how we can take short cuts to push public construction and at the same time, safeguard the taxpayer's money.

"As a result, I have some special bills here to simplify matters and speed up government building construction."

Colonel Woods: "I am glad to hear that, and hope the Senate and the House pass them quickly so we can continue to stimulate employment throughout the country."

Senator Smoot: "That is what I hope, too, Colonel." [9]

[9] On the same day, at the ceremony held at Arlington Cemetery to break ground to start the approaches to the Tomb of the Unknown Soldier both Secretary of War Hurley and Colonel Woods spoke to the effect that the project had been advanced in accordance with the Federal policy of speeding up construction as a stimulus to employment.

In January the American Engineering Council, who were cooperating closely with the Committee both to increase employment opportunities in industry and to effect an expansion of public and semi-public construction recommended that the office of the supervising architect should divest itself of its many plans to prepare all plans and specifications for Federal projects and become, as its name implied, more supervisory and less detailed in its functions; for the "vast amount of Government work authorized and under contemplation warrants a less detailed policy and the employment of architectural and engineering firms." The report of the Council further recommended that the Attorney General's office exercise its right of acquiring building sites through condemnation rather than by negotiation; for "such condemnation proceedings are the right of the Attorney General and should be fully resorted to in the present emergency."

Assistant Secretary of the Treasury Heath, in commenting on the recommendations, stated that it was the policy of the government to confine the drawing of plans and specifications for Federal buildings to the supervising architect's office unless title clearances reported by the Attorney General were more than could be taken care of by the standing force. At that point, he explained, contracts were let to outside architects; and that in line with the policy, thirty-five contracts, each in excess of $500,000 had already been let to outside firms.

As the Treasury Department's present staff included 500 architects and engineers, Assistant Secretary Heath was of the opinion that the present force was quite adequate, generally speaking, to handle the projects as they were reported by the office of the Attorney General.

With reference to the recommendation for acquiring sites by condemnation rather than by negotiation, Mr. Heath declared that the Attorney General's office was making use of both methods. He was further of the opinion that the exercise of a hard and fast rule for acquisition by condemnation might involve too great a demand upon property owners, and might ultimately be rejected in the courts.[10]

As a result of the combined efforts of the Committee, Government officials and members of Congress, on February 6, 1931, the first of two

[10] In a news release issued by the President's Emergency Committee for Employment on June 30, it was stated that numerous architects had written to the committee "urging that private architectural firms be employed to the greatest extent possible on Federal work in order to minimize unemployment throughout the profession," and that the answer was that the Treasury Department had been placing in private hands an increasingly large part of its work on drawings for building construction, including post offices and federal buildings located in all sections of the country.

Of 194 jobs in the drawing stage, private architects were handling the design of 72 projects valued at $152,687,023 while the Treasury was preparing drawings for 122 projects valued at only $26,953,600. It was further stated that the work being done by the Treasury was "mostly in specialized types of buildings in which the long experience of designers in the Supervising Architect's office is believed to make for maximum efficiency."

bills to expedite the Federal building program was approved. Under the terms of the act the Secretary of the Treasury was authorized and empowered:

> (1) to obtain by contract without competition, topographical survey of sites, test pits and borings where such sites had been selected although title might not have been vested in the United States.
>
> (2) to limit to such number of days as he deemed proper the advertising for bids for sites for public buildings.
>
> (3) to obtain outside architects, engineering, technical or professional services to such extent as he deemed necessary in connection with the plans and specifications for Federal buildings which were specifically authorized to be constructed where the sites were selected notwithstanding title to such sites might not have been vested in the United States.

On February 26, a second bill was approved with reference to the construction of public buildings and works outside of the District of Columbia, enabling the possession and title of sites to be taken in advance of final judgment in procedures of acquisition.

The Committee also interested itself in other measures for acceleration urging particularly the creation of ten or twelve sites selecting committees to act in place of the one committee then existing — "so that we could not have the sites viewed by one committee laboriously going around the country." A bill to effect a change in the site selecting committee was introduced by Senator Smoot, referred to the Committee on Public Buildings and Grounds but was not reported out.

In addition to legislation for directly expediting the Federal construction programs, on February 16, the second Keyes-Elliot Bill, so called, was passed, making an increase in general authorizations of $100,000,000; increasing the limit of annual expenditures from $50,000,000 to $65,000,000 and increasing the limit of annual expenditures in any one state from $10,000,000 to $20,000,000 until December 31, 1933, and $15,000,000 thereafter. As a result of this legislation, plus $69,000,000 "expected to be realized from sale of property now owned by the government" total general authorizations as of June 30, 1931 were $698,239,000 as compared with $529,239,000 on June 30, 1930.[11]

On April 22, shortly before Colonel Woods withdrew from active leadership of the Committee, he sent to Secretary of Commerce Lamont the following suggestive memorandum on public works: [12]

[11] See pages 277, 278 in *Annual Report of the Secretary of the Treasury on the State of the Finances for the Fiscal Year ended June 30, 1930.*

[12] To call attention to what the Federal Government was actually doing to provide employment in January and early February 1931, the Committee issued a series of progress reports covering the Federal building program in every state. These reports

Footnote 12 continued on Page 51

"It seems to me, with reference to Public Works and in view of the possibility that conditions may be very bad next fall, three things ought to be started now, if they have not already been started. They all refer to Federal Government Public Works.

"The first thing is that every head of a Department or Bureau, where there is any construction work in view as a possibility, should be directed to get this under way at the earliest possible moment so that the work will be going on during the late summer and fall. This refers only to projects which have been authorized and for which appropriations have been made, and the necessity is to get things started so that they will give work when it may be especially needed.

"The second point is to have all Department and Bureau heads directed to get in shape for immediate construction all work that is needed in their departments and that would be done anyway within the next two or three or four years. The object would be to have a large amount of public works available in the fall, in case conditions should be such that such public operations on such a large scale would be necessary. The past winter was a bright example of this, — public works cannot be used to help in a time of depression because they have not been planned ahead. If all plans, specifications, and arrangements could be prepared now, during the summer, it would help greatly. If the state of unemployment should be serious at that time this large program of public works could be put into immediate operation, in whole or in part, as soon as the money had been appropriated. Such a project, involving such a large expenditure, might prove that there would be no just ground for a movement to appropriate Federal money for local relief.

"The third point is with reference to maintenance. I feel strongly, as a result of our superficial examination of the subject, that a careful examination of all public buildings, all over the country, would show that a large amount of money could be very usefully spent on repair work. I have a feeling

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Footnote 12 continued from Page 50

were followed by a series on Army construction and by another on construction, dredging, and other river and harbor projects, both types of construction being under the War Department. In reference to the Army program Colonel Woods said:

"These totals represent money that is now being and will be in the near future, paid out for wages and material. The money available for contracts already let and for new contracts for work is especially significant in relation to creating employment when it is realized that payments for materials are again paid out as wages at the places where the material is made. In addition, the renewed buying power of the employees put to work on the projects creates additional employment in many different industries and trades.

"The War Department has done a most efficient and workmanlike job. This can be instanced by giving the record of one appropriation. A bill for $22,500,000 was approved on December 20. The allotment to the various projects was made on December 23 involving between seventeen and eighteen million dollars. Advertising was launched immediately. Bids for the first projects were opened January 5, the contract was awarded January 10, and work was actually started, that is to say, men were on the payroll, by January 15. The other contracts did not lag."

that the estimates which have been sent in prior to this time have been on the basis of figuring out how LITTLE maintenance work could be got along with, and, therefore, I suggest that the question be put the opposite way: How much could usefully be done? This is a particularly useful kind of work at such times as these, for it is indoor work and could be carried on in cold weather, and it is improving the condition of existing Government property.

"Besides this, of course, it might be very helpful indeed if certain states, municipalities, and counties should do the same thing. The amount of public building done by such units is enormous, and possibilities are great here. It must be recognized, of course, that some of these government units are pretty hard up, others have not the money, and others haven't made appropriations and may not have legislatures sitting next winter, but every little helps, and if the effort should be made to bring this about in the state, and other political divisions, as well as for the National Government, it might make a great deal of difference."

During August 1931, the month in which the Committee concluded its activities, 37 contracts of a total value in excess of $25,000,000 were let, according to a statement issued by the President on September 6. As of September 1, 229 buildings, the estimated cost of which was $181,393,100, were under construction. It was estimated that the number of men directly and indirectly employed on the Federal program was 39,000, and that by January 1, 100,000 would be employed.

In an editorial on September 8, commenting on the progress of the Federal program, the New York *Times* pointed out that if the estimate of 6,000,000 men unemployed was approximately correct, at best less then 2 per cent of this number would find work during the winter on Federal building projects. The editorial continued:

"This is not Mr. Hoover's fault or the fault of Congress. It is a consequence of the fact that in the United States the Federal Government is relatively unimportant as an employer of labor, compared with the states, the municipalities and private business. . . .

"This fact is ignored by people who now propose casually that some such enormous sum as three billion, five billion or even eight billion dollars be added to the Federal building program. There is no opportunity for the employment of that amount on Federal projects which are economically defensible from the standpoint of the taxpayer at the present time. . . . With every incentive to speed up work, it has taken the Administration nearly two years to begin construction on 45 per cent of the projects in its present program. Some extension of existing plans may be profitable and feasible, but Winter would be over before the Government could launch an appreciable

part of a new three billion or five billion dollar program were it to be authorized by Congress in December." [18]

ADVANCE PLANNING OF FEDERAL PUBLIC CONSTRUCTION

In the President's Conference on Unemployment in 1921, over which Mr. Hoover, then Secretary of Commerce, presided, stress was laid in the recommendations on the advance planning of public works. After a number of years in which little was done to give effect to the recommendations for advance planning. Senator Wagner took up the recommendations; and on the basis of competent technical advice devised a bill, introduced in the spring of 1928, which did not meet the approval of the Administration, and which blocked its passage in Congress. At length, on the initiative of the President's Committee, a group of technical experts were called in, and certain minor modifications effected which were acceptable to the President and the Senator. In February 1931 legislation was finally enacted "to provide for the advance planning and regulated construction of public works, for the stabilization of industry, and for aiding in the preservation of unemployment during periods of business depression."

The Federal Employment Stabilization Board was created "to advise the President from time to time of the trend of employment and business activity and of the existence of approach of periods of business depression and unemployment in the United States or in any substantial portion thereof; to cooperate with the construction agencies in formulating methods of advance planning; to make progress reports; and to perform the other functions assigned to it by this Act."

The act creating the Board stated that whenever upon its recommendation the "President finds that there exists, or that within the six months next following there is likely to exist, in the United States or any substantial portion thereof, a period of business depression and unemployment, he is requested to transmit to the Congress by special message, at such time and from time to time thereafter, such supplemental estimates as he deems advisable for emergency appropriations, to be expended during such period upon authorized construction in

[18] In the course of his testimony on January 6, 1931, before the Senate Committee on Appropriations, Mr. Wetmore, Acting Supervising Architect, stated in answer to the question of how much additional construction work was being done, or contemplated under the "speeded up program," gave fiscal year figures showing that in 1929 the expenditures were about $22,000,000; in 1930 the expenditures were about $41,000,000, while in the current fiscal year the expenditures were likely to range up to $90,000,000.

In answer to the question of whether many additional jobs would be created by speeding up the program to the maximum, he stated that it was impossible to reply accurately, but that it was calculated that 6,000 men were provided with work for two years on a project costing ten million dollars; it usually being figured that one thousand men were occupied in construction for two years on such a project, while for each man on construction work, there were generally five employed in the fabrication of the material.

order to aid in preventing unemployment and permit the Government to avail itself of the opportunity for speedy, efficient, and economical construction during any such period."

The act further stated that it was the policy of Congress to arrange "the construction of public works so far as practicable in such manner as will assist in the stabilization of industry and employment through the proper timing of such construction, and that to further this object there shall be advance planning, including preparations of detailed construction plans, of public works by the construction agencies and the board."

The act specified also that each head of a department or independent establishment "having jurisdiction over one or more construction agencies shall direct each such construction agency to prepare a six-year advance plan with estimates showing projects allotted to each year."

The President was requested each year before recommending "the amount of construction appropriations for the next fiscal year to take into consideration the volume of construction in the United States, the state of employment, and the activity of general business."

Finally, the act directed the Board to collect information "concerning advance construction plans and estimates by states, municipalities, and other public and private agencies which may indicate the probable volume of construction within the United States or which may aid the construction agencies in formulating their advance plans."

On March 5, in a talk before the Indiana Commission for Relief of Distress due to Unemployment, Colonel Woods, commenting on the advance planning legislation, cited a remark of Senator Wagner's, the author of the bill creating the Federal Employment Stabilization Board, to the effect that similar legislation was a fundamental necessity of each state and municipal government. In the course of his remarks, Colonel Woods said:

> "It is obvious that the construction industry, the most vulnerable spot in our industrial armor when a depression comes along, is tremendously strengthened by such advance planning of public works. What we must learn to do is to exercise restraint in our public building whenever possible, during times of boom. Instead of adding to the boom by undertaking great programs of public construction when prices are high and everybody else is building, we should instead build up great reserves of such construction; we should have the sites selected, and the litigation and authorization and appropriations attended to, so that at a moment's notice, the building programs can be put into operation.
>
> "One lesson that has emerged from this depression is to contract building in good times, expand building in bad times."

On March 18, 1931, in an address to the Woman's City Club of New York, which was broadcast, Colonel Woods again referring to the establishment of the Board emphasized the fact that as states, cities and counties were "a great deal more significant in any program of public works than is the Federal Government" all had to work together if any good was to be accomplished. In the course of his remarks Colonel Woods said:

> "In order to be effective in combating an oncoming wave of unemployment, the first essential is that public works may be sufficient in volume, and this means billions; the second essential is that they should be in such a state of preparedness, plans made, sites owned, financing completed, that they can be put into operation at once; and third, governments must be wise enough to hit upon the right time to do it. If these three essentials are carried out, and enough public works can be put immediately in operation at just the right time, we shall have strong defense against industrial depression."

STATE AND LOCAL PUBLIC AND SEMI-PUBLIC WORKS

As previously indicated, during the period 1925 to 1928 inclusive, state and local government expenditures for public construction annually were some ten times greater than those of the Federal Government. Working through regional advisers, through the Public Works Section, and through the press and radio, the Committee encouraged state and local communities to push forward contemplated projects wherever wise and practical.

In point of fact states and local communities in general substantially increased their programs during 1930. In response to a telegraphic survey made by the Committee the mayors of 210 cities reported that in November 1930, a total of 248,784 workers were employed on public work construction compared with 224,698 in 1929, an increase of 11 per cent. Twenty states from whom similar statements were received reported that the number of workers employed in November, 1930, totalled 182,380 compared with 171,884 in November 1929, an increase of 6 per cent. On Federal-aid road projects 288,732 men were on the payroll on November 1, 1930 as compared with 259,206 on November 1, 1929, an increase of 21 per cent. In fact, so vigorously had some states advanced their highway construction programs that one reason for the Federal Government making an emergency appropriation was that the amount of state funds available had been substantially reduced.

In his initial radio talk to home owners on October 26, Colonel Woods mentioned the fact that on November 4, bond issues for state and local public works totalling $460,000,000 would be voted on. Call-

ing further attention to these proposals, Colonel Woods stated that, in his opinion, the bond market was favorable to such issues; and urged forward-looking local leaders to study all issues carefully, and if sound to work for them. Colonel Woods, however, stressed two points: one, that there should be no departure from general policies of sound planning, financing, and economic execution of public works; and two, that the Committee could not give a blanket recommendation as to the soundness of each bond proposal.

On January 15, 1931, an encouraging news release was issued to the effect that bond issues totalling $217,402,400, authorized by the voters at the November elections had been sold. The release concluded "the cities and other political entities within the states have not slackened their pace. They are going ahead in a fine spirit and there is every reason to believe that plans are being executed and the actual performance of work has noticeably quickened. That is, work that in the ordinary course of events would be spread out over a period of several years is starting now. We must remember that every time money is spent on needful work there is a two-fold benefit. The city gets its improvement more quickly, and men and women are taken out of the ranks of the unemployed." [14]

The release of January 15 was followed by a number of others of the same encouraging tenor. On January 22, 1931, a release was issued to the effect that individual projects totalling $3,053,000,000 of anticipated construction had been reported to the Public Works Section and were being followed up with a view to accelerating actual construction wherever possible.

On February 26, on the basis of data collected through the cooperation of the *United States Daily*, the Committee announced that the construction divisions of 45 states were planning the expenditure of a total of $1,065,000,000 for the year; $212,600,000 for state buildings and $852,400,000 for state highways "for which construction is either already authorized or is contemplated in the administration programs now under consideration by state legislatures."

In another release on the same day, the Committee announced that the American Association of State Highway Officials reported that during the month of January, 119,770 persons were employed on state road work in 36 states. At the same ratio it was estimated that in 48 states 161,040 were employed in this class of work. The report went on to say that while no figures were available with which to make general comparisons between January 1930 and January 1931, reports from a

[14] In a news release on January 9, 1931, the possibilities of expanding play-time facilities—"parks, recreation centers, play grounds, swimming pools and forest trails"—as one of the sound outlets for increased employment were pointed out.

few states which kept such records indicated that the number of individuals employed in January 1931 was substantially greater.[15]

As the activities of the Public Works Section developed a weekly release was issued, listing projects reported as placed under contract during the preceding week. The projects were listed by states and localities, type, and amount of each contract. From December 20, 1930 to August 31, 1931 contracts reported as awarded totalled $2,330,070,240.[16] The projects making up this total included Federal, state, county and municipal buildings, schools and college constructions, hospitals, bridges, river and harbor work, drainage, water supplies, sewers, other types of public and semi-public construction and Federal-aid and state highways through June.

Semi-Public Works

One of the first steps taken to stimulate interest in semi-public construction — schools, libraries, college buildings, hospitals and the like — was to call attention, through the press, to the fact that more than $25,000,000 worth of building construction at three universities was either under way or would be within the next three months. Communications were sent to the presidents of more than 250 of the larger institutions of the United States, urging the great importance of hastening programs which would give employment to labor during the coming months, and pointing out that existing building costs were in themselves an important reason for accelerating plans and operations. Attention was also called to an estimate which had been submitted to the Committee to the effect that $200,000,000 worth of dormitory construction alone could be undertaken advantageously at the time by the colleges and universities of the United States without making any call upon the invested, or endowment funds of the institutions. It was further pointed out that one university had worked out a plan whereby $4,200,000 would be borrowed by the university officials, and construction work started at once on eleven additional dormitory units which were to have been built over a period of ten years; the building cost being amortized over a ten-year period through the receipts from students occupying the dormitories.

In February, 1931, under the auspices of the Committee, a series of radio broadcasts was given by prominent leaders in the institutional field. In the first talk of the series Colonel Woods indicated that the

[15] During the month of April over 193,000 individuals were employed on state and Federal-aid roads. During May, June, July and August the number of men engaged on Federal and state highways continued to increase and by the Association of State Highway Officials it was estimated that in August 370,000 men were thus employed.

[16] These figures are from the news release of August 31, 1931, published by the President's Organization on Unemployment Relief, which had taken over the Public Works Section on August 19.

investment in buildings for hospitals, churches and universities and colleges alone approximated $8,000,000,000. In the course of his remarks Colonel Woods said in part:

> "When private construction is at its height, with building costs at the peak, public and semi-public institutions can best hold back their expenditures, making a practice of saving such work for periods of depressions. If we exercise this principle of restraint when times are good, we can store up great reservoirs of public and semi-public works, getting all the sites selected, the plans drawn up, the authorization and litigation attended to; and then, when a depression dries up the construction industry, we can open the spillways and let in our reserves.
>
> "Construction at this time costs less money than it does in normal times. Costs are reduced — in some cases as much as 20 per cent.
>
> "The particular merit of building programs by our non-profit groups at the present time is that they are not confined to any one area. . . .
>
> "Furthermore, non-profit-making institutions, though they serve the public good, are largely owned and operated by private interests and financed by private subscriptions. They are not affected by politics and red tape. The quick authorization of such construction as the institutions may undertake, with the consequent stimulus to prosperity, is within the power of groups of generous and public-spirited citizens.
>
> "The country will be grateful to those who are presidents of our colleges and universities, the principals of our secondary schools, the ministers of our churches, the superintendents of our hospitals and state institutions . . . to do all that lies in your power to get such construction work under way. The co-operation will be welcomed of those who, through their generosity as trustees or directors of such institutions, can make such work financially possible. Building at this time, you will help to complete the rout of this plague of unemployment which has left so much human misery in our land; but you will also be heeding the dictates of business sense by making an economic use of funds to improve your standards of service to our population."

Given below are the subjects of the other speakers in the series and paragraphs selected from their talks. At the conclusion of the series the talks were issued in a pamphlet entitled — *Institutional Construction — An Avenue to Employment.*

> STATE INSTITUTIONS: THE NEED FOR COMPREHENSIVE PLANNING. William J. Ellis, commissioner, New Jersey State Department of Institutions and Agencies.
>
> "Far-sighted, practical institution boards of trustees and managers are recognizing that there is today a unique oppor-

tunity to secure the needed repairs, alterations, and improvements to institutions and at the same time assist in puting men to work and speeding up the movement for industrial stability. . . .

"It is a wise plan to secure now a careful architectural and engineering survey as a basis for necessary building development. The present is an ideal time for pressing forward with facilities that will serve an immediate purpose in assisting to put men to work on the job itself and in the fabricating industries and all allied endeavors, and thus furnishing the institution with the means for greater service to the public."

CHURCHES: UNEMPLOYMENT A CHALLENGE TO BOTH INSPIRATION AND ACTION. Rev. William Hiram Foulkes, D.D., pastor, Old First Church, Newark, N. J., and vice-president, International Society of Christian Endeavor.

"This is the best time in the world for thousands of churches to make needed alterations and improvements in their edifices. There is no need to be appalled either because the money may not all be in hand or because the totals are large. A part of the cost may legitimately be financed over a period of years upon a perfectly sound basis.

"If the officers and members of the various religious bodies across the country could grasp the real significance of the present situation they would hasten to embark upon the construction of church edifices, parish houses and Sunday school buildings. Such activity would accomplish several desirable ends. It would revive the spirit of the church and make that spirit more influential in the life of the community. It would give employment, in the aggregate, to thousands upon thousands of men and would release for normal purchasing power large sums of money, widely distributed, paid out as wages. It would also guarantee, because of available economies, that every dollar spent for building at the present time would do a full dollar's worth of work. It would also have a marked reflex influence upon many other enterprises not directly connected with the church but under the influences of its spirit."

HOSPITALS: INCREASING OUR SAFEGUARDS AGAINST SICKNESS AND UNEMPLOYMENT. Paul H. Fesler, superintendent, University of Minnesota Hospital, and president elect, American Hospital Association.

"No agency is better able to observe the effects of unemployment than the hospital. As I speak to you, thousands of individuals are patients in public hospitals who have not used them in the past. Public hospitals are being put to a test exceeded only by the influenza epidemic of 1918. The out-patient departments are being taxed to the limit. This condition is a result of business depression and unemployment.

"At the onset of the depression many hospitals were planning improvements and additions which have been delayed in order

to meet the situation. The improvements are important, and those responsible for the conduct of such institutions recognize that the hospital is in position to contribute much to the solution of unemployment by proceeding with their building programs at this time."

HOUSING: AN IMMEDIATE AND PERMANENT BULWARK AGAINST LOWERED LIVING STANDARDS. Hon. Alfred E. Smith, former Governor of New York.

"I have urged that committees on unemployment take under careful consideration the utilization of large funds which people are ready to contribute for the relief of unemployment to accomplish some permanent good for the community. The fundamental problem which could help to re-establish the industrial cycle and really help to relieve us of our economic difficulties and at the same time accomplish a much-needed reform is the provision of decent, sanitary, attractive housing for our lowest income groups.

"For many years I have been actively interested in clearing out the old dilapidated tenement districts in my own city and state and replacing them with modern dwellings to be rented at a low cost. I know that this problem is nation-wide. Every city has its battered, wretched, old quarters that have deteriorated until the houses which they contain and which are still occupied for dwelling purposes are really unfit for human habitation. . . .

"The types of people who are unemployed today have, many of them, never been out of a job before. They need the encouragement of work to do and not just charitable relief in the form of food and clothing. Work can be found for them if constructive relief is considered. If any unemployment committee will buy an area occupied by old tenement houses, tear them down and build new buildings in their places, that will be a monument of citizenship that will never be wiped out."

SCHOOLS: CONSTRUCTION A CAMPAIGN FOR BOTH LITERACY AND EMPLOYMENT. Dr. Willis A. Sutton, president, National Education Association.

"We have one hundred fifty thousand one-room rural schoolhouses in use. Many of these buildings are sadly inadequate and should be abandoned at the earliest opportunity. They should be replaced by modern well-constructed rural schools, of the consolidated type if possible. Where consolidation of school districts is not feasible, the one-room rural school can be given a dignity and beauty which will greatly increase the value of the education given within its walls. . . .

"A steady flow of school-building construction is needed for three reasons: first, our present school buildings become obsolete and dangerous so that they must be replaced. Second, the enrollment in our schools and colleges is increasing so that additional new buildings are needed. Third, many thousands

of American children never have attended school in an adequate building. Many children in rural areas, many negro children, many children even in some of our wealthiest cities have never been inside a modern high-class schoolhouse. Our school-building program practically came to a standstill during the World War and many school districts and cities have not even yet regained the normal balance between the number of children and the school space available. Half-day sessions, portable shacks and tents, and the use of hallway and basement classrooms are common devices for temporarily meeting this maladjustment."

UNIVERSITIES: INTELLIGENT PLANNING, AN OBLIGATION OF LEADERSHIP. Elmer Ellsworth Brown, chancellor, New York University.

"It is not only new construction in steel and stone and concrete that will have this effect, but those operations of repair and renovation which are always claiming attention even in the newest and most up-to-date institutions, and in the most of our educational institutions are long overdue. Even without the erection of new buildings a general overhauling and renewal of a university plant will be effective in the quickening of morale in the institution itself and in its tributary community."

CHURCHES: THE RESPONSIBILITY OF THE CHURCH IN TIMES OF EMERGENCY. Right Rev. James E. Freeman, Bishop of Washington, National Cathedral, Washington, D. C.

"The church, in particular, of every name, should urge with all insistence that its members give a demonstration of the faith they profess. The churches, as corporate bodies, should endeavor in their respective communities, to undertake, without delay, any needed repairs or improvements that may serve to give employment to those in their communities who are idle through no fault of their own. We believe an opportunity such as we have not hitherto known is now afforded to give a demonstration of the practical value of religion. To preach 'Peace, peace, when there is no peace,' is the part of folly. To say, 'Be ye warm and fed when we give not the things that are needful,' is valueless and does irreparable harm. . . .

"In Washington, in the face of a diminished income, we are carrying forward the extensive building plans of the National Cathedral and its allied institutions. We are assuming financial risks in doing so, but we conceive it to be our solemn duty to carry on until the unemployment situation finds a more practical solution. As a matter of fact, we have very considerably increased our force of workmen during recent months."

UNIVERSITIES: SOUND MANAGEMENT AND THE PUBLIC GOOD. Robert M. Hutchins, president, University of Chicago.

"If the 754 colleges and universities in all parts of the country will hasten the construction of new buildings and resist the

temptation to defer maintenance they will make a decided contribution to the solution of the unemployment problem. . . .

"To philanthropic and charitable institutions it is, of course, indelicate to appeal in terms of their own self-interest. If it were proper one might point out that they are not likely soon to see again a time in which they can build so much for so little money. It is probably fair to say that in most places today a university building can be put up at a cost at least 10 per cent below that of normal times. To hasten the construction of such buildings now is therefore to perform a task that should be doubly gratifying; it is an economical thing to do, and it is a public-spirited thing to do."

CHURCHES: CONSTRUCTION AN EFFECTIVE SUPPLEMENT TO CHARITABLE RELIEF. Rev. Dr. John O'Grady, secretary, National Conference of Catholic Charities.

"Catholic organizations in the United States have not satisfied themselves with merely providing relief for unemployment. They recognize that what the worker needs more than anything else is an opportunity for gainful employment. The Catholic bishops therefore have done everything possible to speed up their building program. Reports received by the news service of the National Catholic Welfare Conference show that more than $20,000,000 is being expended in Catholic building projects during the present winter."

Public Works Section

Early in November, representatives of the United States Chamber of Commerce, the American Engineering Council, the Portland Cement Association, the American Institute of Steel Construction and the American Federation of Labor met with members of the Committee to consider forming a staff which would work with the Committee to promote state and local public and semi-public works — construction that might go ahead regardless of commercial returns — by analyzing contemplated projects and by assisting in removing any details holding up the starting of actual work.

As a result of this meeting, the Public Works Section was formed as an experiment with an individual representative furnished on a voluntary basis by each of the following factors in the construction industry: cement, steel, lumber, labor, architects, engineers, and contractors.[17]

As an initial step, the section undertook to list public and semi-public construction projects, authorized but not yet started, and proposed projects of a similar character, which, if undertaken, held promise of giving unemployment relief. In securing project reports the section sought to limit its efforts to: (a) those which were generally

[17] Quarters for the section were provided by the United States Chamber of Commerce.

accepted as sound and economically advisable, (b) those which could be started within approximately six months, and (c) those which involved directly or indirectly a relatively large amount of labor.

To secure the project reports the section furnished some 50,000 questionnaires (See Appendix D) to local representatives of the cooperating groups — engineers, architects, contractors — and to public officials and others. For example, to carry out the program the American Engineering Council formed 140 field agencies, most of which were local sections of the American Society of Civil Engineers.

As the questionnaires were returned, they were analyzed by the section, on a case work basis, and the causes of delay were classified. Projects were then referred back to the groups cooperating with the section, to state and local officials, and to employment committees in order that the indicated causes of delay might be removed. To facilitate work of interested local groups, it was suggested through the regional advisers that "the employment committees in the various cities request the Chambers of Commerce, the architects, engineers, contractors, and basic-material associations each to appoint one of their number to serve on a sub-committee (which might be well headed up by the local Chamber of Commerce) for the purpose of advising the employment committee relative to matters of this kind and for the further purpose of expediting public and private construction."

Before the end of March, 8,000 questionnaires reporting over $4,500,000,000 worth of contemplated work had been received by the section. Of this amount reported as projected more than $900,000,000 of contracts awarded had been reported. About one-third of the remaining projects reported were awaiting only completion of plans and the letting of the contracts. The total of $4,500,000,000, moreover, did not include state highway programs, which were reported to the section by the Association of State Highway Officials, and which were estimated at approximately $1,000,000,000 for the current year. Nor did it include county road projects, on which no accurate figures could be obtained, but which were estimated at approximately $1,000,000,000.

In the early spring when it seemed that the activities of the Public Works Section might be included in those of the newly created Federal Employment Stabilization Board, the representatives of the cooperating groups withdrew from the section. The clerical staff of the section was taken over by the Committee, and its functions somewhat modified. Promotional activities were curtailed and steps taken to authenticate reported projects. Public officials were asked to indicate the status of projects reported to the section from unofficial sources, and to indicate the entire construction program for the year. As a result of the authentication some projects previously reported were eliminated, while

others were added, with the result that the total dollar value remained practically unchanged. In all, something over 20,000 specific authenticated projects were reported.

As previously noted, from December 20, 1930 to August 31, 1931, contracts reported to the section as awarded totalled $2,330,070,340. Total projects reported as contemplated during this period were approximately $6,000,000,000.

CHAPTER V

Cooperation with Commerce and Industry

THE world-wide depression which prevailed in 1930 visited its effects on every branch of economic life. Agriculture, commerce, industry, and finance suffered from the deep-seated economic dislocation.

While the mounting toll of the unemployed gave the clearest evidence of the effects of the depression, measured in terms of human loss and human misery, the task of bringing about recovery was beyond the power of commerce and industry alone. There was, however, much which the individual employer could do to diminish the shock of the depression for his employees. It was primarily in this field of alleviating measures that the President's Committee cooperated with commerce and industry.

Also in its activities with business men, with individual companies, with trade associations, with professional groups, and with state and local employment organizations, the Committee pointed out that many of the measures for increasing employment opportunities in the emergency could be applied in normal times to stabilize employment. Attention was also directed to such stabilizing measures as a national system of employment offices, the timely publication of significant business data, and unemployment insurance.

When the President's Committee initiated its activities in October 1930, business executives in general were already accepting a greater responsibility towards their employees than in previous depressions. Leading employers had adopted emergency procedures to keep their men at work and to alleviate the distress of those perforce dismissed. They had also refrained in large degree from the reductions in wages which had marked similar periods. As a result of these measures there was obtaining "unusual peace in industry and freedom from the public disorder which has characterized previous depressions."

Discussing the attitude of industry before the Richmond Committee on Unemployment and the Richmond League of Women Voters on March 13, 1931, Colonel Woods said:

> "Industry began to take a new view of its responsibility toward labor. Hundreds of experiments were set in motion to find out what could be done to alleviate conditions in this depression, and to make the effects of such economic movements less violent in the future. Never before, I believe, had there been any such comprehensive effort to study out the causes and cure of industrial disease. Whereas, in former depressions,

business men would discharge all the employees they could, slash wages ruthlessly, postpone building and repair work and pare expenses down, before they felt reasonably solvent, this time they thought and acted differently.

"A new policy, one of enlightened self-interest, has begun to spread abroad. Business men know that their employees are also their customers. Sound management realizes the desirability of continuous employment of the producing unit, which is also the consuming unit."

Among the first press releases of the Committee were several describing efforts of individual employers to meet the emergency through such methods as staggered employment, guarantee against discharge except for cause throughout the winter, shorter shifts, and advancing construction which might be postponed.

In order that the Committee might make available methods in actual operation in companies seeking to prevent or alleviate unemployment, two members of the Committee made a personal survey of a well-diversified list of large and small corporations manufacturing in over 500 localities and employing in 1929 more than 750,000 men. The results of the survey were published by the Committee under date of December 15, 1930, in a pamphlet, *A Survey of Unemployment Relief in Industry*.

The pamphlet stated that although industry was willing to talk freely on the subject of unemployment it was strongly inclined to avoid publicity "which through overstatement might create an expectation quite beyond the power of industry to accomplish." The survey further indicated that companies found to have an unemployment problem were using generally such emergency measures as spreading the available work, carrying out repair and maintenance programs, undertaking construction work, and manufacturing for stock. A number of the companies, moreover, had investigated the financial condition of former employees, made estimates of their relief needs, and had established plans for some degree of direct relief. In this latter connection it was stated that it seemed generally recognized "that promiscuous giving and other attempts to relieve distress without careful investigation are undesirable." Other companies were granting loans, some with and some without interest to a selected group of former employees, the general expectation being that these loans would be repaid in small and unburdensome amounts after the employees had returned to work.

The Committee also published on January 2, 1931, a second pamphlet, *Outline of Industrial Policies and Practices in Time of Reduced Operation and Employment*. The pamphlet, based on many reports coming to the Committee from progressive companies throughout the country, listed "the steps taken by various companies so that informa-

tion will be available to large and small companies alike, in the immediate and difficult problem of determining the best policy for each company in the light of the particular circumstances faced at this time."

The pamphlet further summarized certain basic policies underlying the procedure being followed by many progressive companies in meeting the emergency as follows:

> 1. "The policy upon which a company is acting in regard to employment procedure should be clearly determined and definitely stated, either for management use or for general announcement, as seems best. Concentration of authority to see that the policy adopted is followed out is generally deemed essential.
>
> 2. "Consultation with representatives of the workers affected, in the determination and application of procedure, is usually helpful in insuring that policies agreed upon may be fair as between individuals.
>
> 3. "The maintenance of accurate and complete records of procedure and experience is helpful as a basis for future action.
>
> 4. "Cooperative interchange of information on procedure and experience among companies in the same community, industry, region, or affiliated group, is proving to be most valuable."

That the two pamphlets might reach a maximum number of those in a position to give effect to the suggested measures for meeting the emergency, the Committee made over 100,000 copies available to trade associations, to the representatives of organized industries, to state and local employment committees, and to business executives. The content of the pamphlets was given wide publicity through the press; and a series of ten radio talks by business and labor executives gave added emphasis to the measures described.

In March the Committee issued a third pamphlet — *Emergency and Permanent Policies of Spreading Work in Industrial Employment* — based upon material received over a period of three months from both companies and trade associations throughout the country. In summarizing the possibilities of spreading work, the pamphlet says in part:

> "In the first place, the company is not required to meet any marked increase in unit costs. The suggestion has been made that clerical costs . . . might be a little higher under such a plan. These slight disadvantages, according to experience, seem to be more than compensated by the decreased turnover, the reduction in hiring and training costs, and the increased loyalty of men who know that their employer is doing everything possible to give them steady work. . . .
>
> "The effects on workers must be considered. Such plans keep

people out of bread lines and soup kitchens, and prevent widespread destitution, but in some cases the wages received are not sufficient to supply a family with the minimum necessities of life. The policy of spreading work shifts a part of the loss in earnings to those employees who would have been retained on full time. It is self-evident that it does not relieve labor as a class from bearing the loss in wage income caused by unemployment. . . .

"One of the chief advantages of spreading work seems to be that hourly wages remain the same. Earnings are temporarily lowered, but the worker does not have to struggle to get back his old wages when full-time operations are resumed. A disadvantage put forward against the plan is that it may encourage workers to remain with a concern which can not in normal times give its employees sufficient full-time work. This seems to be a valid argument in the case of those seasonal industries which have done little to budget production, or in permanently depressed industries with an excessive supply of labor. In times of general cyclical depression, this disadvantage seems to lose much of its importance, since few employers are taking on new workers, and it is to the advantage of the worker to retain his present position.

"The conclusion may be reached that in a serious depression the practice of maintaining employment by means of spreading work has marked advantages as a relief measure. The extensive use of the practice by progressive American employers has indicated not only a keen appreciation of the needs of their employees but a flexibility in policy which has long been an outstanding feature in industrial management in this country. Trade-union executives have been quick to realize the need to spread employment in order to alleviate distress among their memberships. There is almost unanimous opinion, however, that the policy can not be regarded as more than a mitigating influence in meeting the evils of cyclical unemployment. Only by the continuous efforts of all groups concerned with industrial enterprise in this country can these evils be eliminated."

Under date of May 29, 1931, the pamphlet — *Policies and Practices of the Stabilization of Employment in Retail Establishments* — was sent simultaneously to 15,000 retail employment groups in all parts of the United States.[1] In a letter to trade associations and employment

[1] The preface of the pamphlet stated that it was suggestive only, and that the pamphlet simply "lists the steps which have been taken by some progressive managements, with sufficient explanation so that suitable expedients may be chosen and shaped to the needs of those contemplating similar action." The preface further stated that all the suggestions were based upon the experience of managements, "which have applied and retained these measures, for the present at least, with the belief that it pays to do so, and that any summary of experience at the time could be but tentative since adjustments to a serious change in business conditions must be made by a process of trial and error."

committees in reference to the pamphlet the possibilities of spreading work as a substitute to lay-offs in the retail trade were pointed out.[2]

RADIO TALKS

During December and January, when *A Survey of Unemployment Relief in Industry* and the *Outline of Industrial Policies and Practices in Time of Reduced Operation and Employment* were being issued to trade associations, business managers, emergency employment committees and others, the Committee arranged for ten outstanding industrial and labor executives to give a series of radio talks on such specific measures as safeguards for employee security; loans to laid-off employees; unemployment reserves and benefits; employment stability and industrial partnership; elimination of seasonal employment. Given below are the subjects of the speakers and selected paragraphs from their talks: [3]

Mr. Henry S. Dennison, President of the Dennison Manufacturing Co.

"RESERVES AGAINST UNEMPLOYMENT"

". . . In 1915, after the severe unemployment of 1914 we took a step which has ever since given us a permanent and pointed interest in the problem. We figured that if it was good business sense to make some reservations out of profits in good years so that dividends might not fall so severely in bad years, then it was equally good sense to set up similar reserves from which, during times of unemployment or partial employment, some part of the losses to wage earners could be lessened. So we made a reserve out of the profits of 1915 which was added to in the succeeding years, and placed it in the control of trustees for such use. The exact rules for its distribution were to be drawn up and amended from time to time as experience should dictate, by a joint committee of two from the management and two representatives of the employees.

"Since 1921 the fund has been drawn upon to make up the pay of our permanent force of wage earners whenever they had to be laid off for lack of work, those with dependents getting approximately 80 per cent of normal rates, and those without dependents approximately 60 per cent of normal. We could not guarantee such payments for all time because we had no sufficient records of experience to tell us what such a guarantee would involve, but payments were to continue as long as the

[2] During the course of its activities the Committee also issued the following pamphlets:

1. *Selected Bibliography — Industrial Plans for the Regularization of Employment*
2. *Company Loans to Unemployed Workers*
3. *Unemployment — Industry Seeks a Solution.*

[3] The talks which were given during the period from December 16, 1930 to January 27, 1931, were published in the pamphlet *Unemployment — Industry Seeks a Solution.*

fund lasted, and have continued, as a matter of fact, without any interruption to date.

"The effects of this scheme have been very striking. Undoubtedly it has afforded welcome relief to individuals and probably has held the purchasing power in our community up somewhat higher than it would otherwise have been; and we are assured that it has added a good deal to that feeling of security and confidence without which employees suffer in spirit and in their working abilities as well. But even more valuable have been its effects in stiffening and refreshing the determination of everyone who is connected with the management, from salesmen and department heads to general manager, by careful planning and all possible foresight to make payments from the fund as little necessary as they can."

Mr. Lawrence A. Downs, President of the Illinois Central System

"THE RAILROADS AND UNEMPLOYMENT"

". . . When the President of the United States, seeing the situation which was developing, undertook more than a year ago to organize the business forces of the country to withstand the shock of a recession, the railroads were among the first to be called into conference. The ready response which they made to the appeal of the President and to the needs of the situation was characteristic. They pledged themselves to do their utmost to maintain employment and wages. In carrying out that program they spent more money for additions and betterments to their properties in 1930 than had been spent in any other year since 1926, despite the fact that their net earnings for 1930 were lower than they had been in any other year since 1921. The effect of this increased program of capital expenditures in a year of reduced earnings has unquestionably been one of the major factors in checking the amount of unemployment. Not only did it give employment to railway workers, but the purchases made from other industries provided employment for at least as many more workers in those industries."

Mr. William Green, President of the American Federation of Labor

"LABOR'S PART IN THE ALLEVIATION OF UNEMPLOYMENT"

". . . In response to the request of the President of the United States, organized labor, through a representative group of its officers, made its contribution to the establishment and maintenance of industrial peace in this crisis. In spite of most exasperating and trying circumstances it has kept the promise it made to the Chief Executive of the Nation and has faced and accepted its responsibilities in a most constructive way. The representatives of labor accepted membership upon unemployment committees in the different cities and states. They have

given the benefit of their service, training, and influence to this organized movement created for the purpose of dealing directly with the serious problem of unemployment.

". . . The trade unions have used their funds to relieve distress, to supply food, clothing, and the necessities of life to unfortunate unemployed persons.

". . . While engaged in this great humane undertaking labor has been thinking about constructive means and methods which should be applied in order to prevent the destructive and devastating effects which come from these periodical unemployment experiences. Labor is firmly convinced that the problem of unemployment must be dealt with in a constructive, scientific, and practical way. It firmly believes that industry can be regulated so as to furnish reasonably steady employment to all working men and women."

Mr. Morris E. Leeds, President of the Leeds & Northrup Co.

"UNEMPLOYMENT BENEFITS"

". . . We realized when we inaugurated these plans that unemployment compensation is at best palliative, and is by no means so desirable as continuous work. For a selfish reason we had no desire to see the fund dispersed, because that would later put the company to the expense of making good the depletion. We accordingly adopted other measures to stabilize employment. When business is brisk we increase working hours, paying time and half time for time worked in excess of 44 hours per week; when it slackens we drop back to the standard week. We thus avoid taking on for peak business people who would have to be laid off when it lessens, and in the overtime pay we share prosperity with our workers. In periods of slack business we manufacture for stock. For many of our products there is sufficiently stable demand to justify stock accumulation. We have provided for it in our financial budget and intend to carry it as far as a detailed analysis of sales records will warrant. We carry on research to develop new apparatus and new uses for present products, and do this on a scale that is large in proportion to the size of our business. . . ."

Mr. William Cooper Proctor, Chairman of the Board of the Proctor & Gamble Co.

"GUARANTEED EMPLOYMENT"

". . . After 18 months' experience we were satisfied that the plan of regulating sales and production was practical and sound economically and we thereupon inaugurated our plan of guaranteed employment. The plan has now been in operation seven years, and during that time we have averaged a little over 49 weeks' operation, never more than 50 and never less than 48. From both a social and economic standpoint it has been the most productive move that this, a successful company, has ever made.

"Briefly, the plan provides that any person who has been in the employ of the company for six months and is a profit sharer is guaranteed 48 weeks' work in any calendar year. The reason for these two conditions of service and profit sharing are: first, the six months' employment for the company to know whether he is the type of man it wishes to continue in its service; and second, the profit-sharing basis as an evidence that the man wishes to become a permanent employee of the company. . . .

"The economic and other advantages to the company that come from guaranteed employment are difficult to define. The closer attention and scrutiny of all details of the business necessary to keep the whole machinery synchronizing in all parts would, of course, increase the efficiency of the organization and profits of the business, and has at least demonstrated that guaranteed employment is practicable."

Mr. William Stuber, President of the Eastman Kodak Co.

"THE ELIMINATION OF SEASONAL EMPLOYMENT"

"Thirty years ago, when the company was expanding rapidly, the management realized that it would be good policy, from the point of view of both the company and the employees, to produce at as constant rate as possible throughout the year instead of the rate at which the goods are sold. At that time steps were taken to accumulate stock during the slack season, although this meant a large capital investment in refrigerator plants for the store rooms in which the sensitized goods were kept and also an increase in the carrying charges on the inventory. The plan has been steadily improved since that time and, while at first it was planned for only a few products, it is now used for practically all of the products of the plant. This production program involves four major steps which will be outlined briefly.

"First, a forecast of sales is absolutely essential. . . .

"The second step is to break down the annual forecast into monthly estimates of sales. . . .

"The third step is to establish the most economical production level throughout the year. . . .

"Determination of the amount of stock to be carried at all times of the year is the fourth step. . . ."

Mr. Myron G. Taylor, Chairman of the Finance Committee of the United States Steel Corporation

"SPREADING WORK TO AVOID LAY-OFFS"

"Plans were promptly made and a really simple expedient employed — that if operations should be substantially lessened, the remaining work would be distributed equitably, as nearly as might be, among all the workers, giving to each a rateable portion of such work as was going; this program to be continued as well as could be done throughout such emergency.

"For the period January 1 to July 1, 1930, the number employed, either on whole or on part-time work, was equivalent to an average of 221,123 employed for the entire period, as against an average for the year 1929 of 224,980.

"For the month of December, the last period for which we have complete reports, there were employed on either full or part time in the various corporation activities 226,614 men. This in a period when operation of the plants was on the basis of only 38 per cent."

Mr. Walter C. Teagle, President of the Standard Oil Co. (New Jersey)

"EMPLOYMENT STABILITY AND INDUSTRIAL PARTNERSHIP"

"As the first step in the present crisis, we stipulated that managers should hire no new employees. We thought that by adjustments and transfers we might better provide work for those already in our service than to discharge in one quarter and hire in another. We ordered elimination of overtime, so as to spread the available work over the largest part of the personnel. Employees have been transferred from slack to busy departments and from one plant to another. To increase the amount of employment, it was suggested that managers begin work of dismantling, maintenance, and repair which had been postponed from busier times. As a general rule our employees have been working full time, but in two or three centers where there has not been work for the entire force employees cheerfully accepted part time in order that no member of the group should be thrown out of work."

TRADE ASSOCIATIONS

When the Committee was formed many trade associations were already giving attention to programs for stabilizing employment and to this end had initiated such procedures as prudent construction, normal purchasing, staggering of employment, and intensified merchandising. Recognizing trade associations as the representatives of organized industries in meeting the existing emergency and in making plans to mitigate the effects of future depressions, the Committee undertook to act as a point of transfer for suggestions, and as a means of informal cooperation between industries.

When the *Outline of Industrial Policies and Practices* was ready for distribution Colonel Woods sent a letter to the presidents of approximately 200 trade associations, enclosing copies of the pamphlet. Each president was urged to bring the pamphlet to the attention of the members of his association and to appoint a committee which would circulate through the association descriptions of successful experiments of members in meeting the emergency and which would submit similar

statements to the President's Emergency Committee for Employment.

In response to Colonel Woods' request more than 100 trade associations cooperated by distributing over 75,000 copies of both the *Outline* and the *Survey* among their members. Approximately thirty trade associations appointed special committees as suggested.

On the basis of information supplied by the trade associations to the Committee, approximately thirty news releases were issued. Excerpts from these releases indicate the measures used by trade associations to spread employment and to care for their employees in the emergency:

> "The COTTONSEED INDUSTRY [4] is highly seasonal . . . since the majority of our mills run only about six to seven months in the year. Most of them are operating at full time now and employment with us is not affected in any way by the economic situation, but is entirely dependent on the cotton crop. Seed from the present crop will be crushed in the same manner and with the same number of men as heretofore. When the seed is gone, operations must cease as in other years. However, many of us already have reduced our crushes to four or five days per week, thus actually prolonging employment more than in good times. I am urging all of our members to do this and also to execute their repair work, painting, and such other things as they can do now rather than wait until next summer when such work usually is done in our industry."
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> ———
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> "The COPPER INDUSTRY is doing everything possible to sustain employment during this winter. . . . There has been some shortening of weekly working hours. . . . We (Calumet and Hecla Consolidated Copper Co.), have closed down certain of our activities but the men there have been taken care of elsewhere."
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> "Being highly seasonal in its operations and depending as it does on fluctuations in the construction field the (SAND AND GRAVEL) INDUSTRY has in the past found occasion to study the problem of maintaining its working forces. . . . Every sound method that we can discover will be applied to this end. The industry is being canvassed for all ideas and practices applicable to the situation."
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> "The FLAT ROLLED STEEL INDUSTRY has been faced with acute depression which has intensified for the past several months up to the slight recovery which was felt at the turn of the year. In order to carry employees and their families through this period, the industry has been organized from the beginning of the slump.
>
> "Furthermore, notwithstanding that the market price of

[4] The capitals are interpolated.

steel commodities has slumped to the 1913 average, the industry is convinced that morale and purchasing power would be seriously impaired by a reduction in wage rates and almost without exception the regular scale of wages has been maintained. Inasmuch as some of our member companies constitute what may be termed 'one company towns' and since all have an important influence on local prosperity, we feel that such planning has been widely beneficial. . . .

"Each of these firms (13 in 8 eastern states) has taken careful steps to minimize unemployment. In all cases some form of rotation of crews or manipulation of operating schedules has been applied to carry, insofar as possible, full working forces on a part-time basis. On continuous operations, the usual method has been to divide the working day into four six-hour shifts, for example, instead of three eight-hour turns. Where the work is on a daily or hourly basis, we have either reduced the hours in the daily schedule or the days in the weekly schedule and have spread the work among the men as evenly as possible. . . .

"Another method of maintaining employment has been to rotate men between various departments of a plant. This principle has been extended by all the reporting firms into maintenance, odd jobs, and new construction programs. Some companies are taking advantage of current low prices by carrying out major construction projects at this time. In such cases, company men are employed directly or contracts are let with the proviso that the contractor shall use local labor. . . .

"Beyond the application of these measures in the mills, most of the reporting companies are engaged in personnel welfare work in some form. Families in actual want are given relief either by a company department or by cooperation with a local relief agency. One firm is selling fuel to its people at cost. Another is matching employees' money dollar for dollar in a relief fund to which employees earning upwards of $125 per month contribute pro rata from 1 per cent to 5 per cent of their wages."

"Although the slump in industrial construction has meant a loss of business throughout our (STEEL CONSTRUCTION) INDUSTRY, many of our member companies have been successful to a large degree in preventing serious unemployment. . . . We have canvassed the association membership as to their employment practices. A typical reply runs as follows:

" 'Our company has done what a good many others have done. We have kept our shop running at short hours, distributing work on a pro rata basis according to the amount of work in different departments. We have not reduced the wages of shop men although their earnings are decreased because of short hours. We have made loans aggregating a considerable amount to employees in distress. All this was done with con-

siderable sacrifice as we are endeavoring to do our part to alleviate current conditions.' "

"Although depression has been generally severe throughout our (GLASSWARE AND POTTERY) INDUSTRY several of our member companies have been able to hold their working forces virtually intact and our entire membership is doing everything possible to spread employment among the people for whom they are responsible. Most of our firms are working their men part time by reduction of hours or rotation of shifts, in order to provide some income to all families represented on their payrolls."

"To obviate idle periods and to continue the largest possible number of men at work, many firms (BOTTLED CARBONATED BEVERAGE) have shortened their daily schedule of hours and have put into effect plans for future expansion and development. In some instances, the building program undertaken has made it possible to engage many more men than usually are required during the winter months. Reports from all sections of the country show that there is practically complete employment in our industry with benefits accruing to other trades and artisans due to the expansion work now under way."

"In addition to direct action taken within the (MOTION PICTURE) INDUSTRY, leading factors in the industry sought to contribute to the return of prosperity by placing orders for materials which would affect other groups. One producing organization, with theaters in all parts of the United States, took steps to rush the completion of ten new houses on a circuit, effecting within a few months a payroll increase of approximately $2,500,000. In each case, the opening of new theaters involved a rental of new stores adjacent to the properties, which in turn provided new employment and stimulated business in the cities affected. In this development, the company not only helped create local prosperity but benefited by the existing low material prices and favorable labor market. . . .

"The screen itself has done direct service in the war against unemployment. Feeling that the psychological effect of depression is an important factor in retarding business recovery, the news reel companies, with outlets in 20,000 motion picture theaters throughout the country, have taken pains to present scenes which show a bona fide improvement in conditions. Such events as the reopening of factories or the start of construction jobs have been widely featured.

"Motion picture theaters in communities all over the country have done tangible service by meeting the demand for benefit performances. Probably no other single group has been instrumental in raising more funds for the relief of needy

cases arising from drought and unemployment. Film exchanges furnished hundreds of films for such performances, as a contribution from the producers.

"In these ways, the motion picture industry has tried to do its part in meeting the national emergency. It is the intent of our group to continue along these lines with the hope of contributing toward an accelerated recovery of business as conditions improve."

"Employment conditions throughout our (HEAVY MACHINERY MANUFACTURERS) INDUSTRY during the current business depression are in marked contrast to what might have happened ten years ago. The reduced production volume among many of our member companies might logically have meant laying off half of the people normally employed. Yet, these firms report that, by such methods as the reduction of hours and the staggering of work gangs, they have been able to retain most or all their normal personnel on part time.

"This association represents companies engaged in the manufacture of heavy machinery built to specifications. The industry employs approximately 100,000 persons in normal times."

"As to long-term planning, our association (DRY-CLEANING INDUSTRY), through five field men who are continually visiting member plants all over the country and through management and production bulletins averaging two a week, is doing everything within its power to maintain a steady volume of work and therefore a steady volume of employment."

"Rapid strides are being made throughout the COTTON INDUSTRY in eliminating night work and shortening hours of labor. Commending the progress which has been made, Mr. Croxton wrote Mr. Sloan, president of the Cotton-Textile Institute, Inc., New York City, as follows:

" 'The steps taken by the cotton textile industry to discourage night work and long hours, under the leadership of the Cotton-Textile Institute, are an outstanding example of what an industry can do by voluntary action to "set its house in order." The policies which your industry has adopted have been of marked assistance in the present emergency and also will give you a working basis upon which to develop plans for a more permanent stabilization of employment.

" 'Your industry is to be congratulated upon the general adoption of this program. We hope that the very few mills which still persist in the uneconomic and anti-social policy of long hours and night work for their employees will quickly fall in line with your far-sighted plan.'

"Mr. Sloan's statement, explaining in detail the steps which have been taken, is as follows:

" 'For a number of years, our industry has suffered tremen-

dously from over-capacity and recurring overproduction. In some textile centers, the mills had become accustomed to running 120 to 138 hours per week. Moreover, until recently the practice of operating long night shifts was getting worse rather than better.

" 'As a short-time policy, mills could profit under this system at the expense of the industry as a whole. To operate machinery on long hours obviously means the production of more goods per machine or per plant, thus reducing the capital overhead on finished goods and giving a lower margin of costs. The adoption of this short-sighted policy by a large number of mills resulted in recurrent periods of overproduction, price demoralization and under-employment.

" 'Consequently we have devoted much of our time to help promote sound production and merchandising policies and greater stability of employment. During the current depression, progress along these lines has been accelerated by the Institute's recommendation that night employment of women and minors should be discontinued, backed by conferences of the industry with officials in Washington. This reflected a growing feeling among leaders of the industry that women and children should be employed only on the day shift in cotton mills.

" 'Since operations in some elements of cotton mills are a function purely of the women employees, this policy has resulted in a substantial elimination of night running. Eighty-five per cent of the industry subscribed to the Institute's recommendation and close to 100 per cent of the mills which approve the principle are now refraining from the employment of women and minors between the hours of 7 P.M. and 6 A.M.' "

As the cooperative activities between the Committee and the trade associations developed, a field representative was appointed to work with trade associations with reference not only to plans for meeting the emergency but also to measures by which irregularity of employment might be fundamentally attacked.

As a result of the direct contact of the Committee with trade groups, the chairmen of the emergency committees of the six New England States met under the auspices of the New England Council [5] with members of the President's Emergency Committee for Employment and adopted the following resolutions:

"RESOLVED: That it is the sense of the meeting that it is most desirable that steps be taken to collect and interpret through

[5] The New England Council was organized in 1925 by agricultural, commercial, and industrial organizations under the sponsorship of the six Governors. The purpose of the organization was primarily "to inspire, stimulate, lead and coordinate New England agencies for progress." During the winter the Committee distributed to leading trade associations copies of the pamphlet "New England's Acts for Stabilization" prepared by the Council. The Committee also distributed to state committees a form prepared by the Council for measuring effects of depression on employment.

State and community committees their experiences and conclusions concerning the various unemployment measures applied in New England during the current depression:

"And that there is need in New England for coordinated effort in directing the continued attention to and study of measures for achieving a greater degree of stabilization of business and employment,

"And that it is therefore requested that the officers of the New England Council submit to that body, at its meeting in Providence next week, proposals that the Council undertake these tasks to the extent that its facilities permit."

At the Providence meeting the New England Council adopted "with greatest enthusiasm and with a determination to put this work through by the most intelligent and business-like methods" the following recommendations: [6]

"1. That New England employers keep records which will show, week by week, and month by month, the effects of the business recession on the hours of work and earnings of each employee.

"2. That every industrial community establish an index of employment which will enable the community to know its employment conditions at all times.

"3. That the State Emergency Employment Committee (or other designated authorities) examine and evaluate the measures, methods, and results of community unemployment relief committees, with a view to showing for all New England what types of organization and procedure are most effective in relieving unemployment.

"4. That New England manufacturers and their industrial trade associations study the fluctuations in their respective plants and industries, and causes thereof, and endeavor to apply measures that will make for steadier employment."

On July 8, the Committee issued to the press a statement with reference to the New England Council's "expanded program to stimulate and regularize employment." The release stated that the Council had recently adopted the following credo:

"(1) It is the obligation of business to initiate and pursue such policies and practices as will make governmental intervention unnecessary in matters which business should handle for and by itself.

"(2) The current depression has demonstrated the need for the formulation of plans by management to provide for sta-

[6] In June, James W. Hook, chairman of the Connecticut Committee on Employment and chairman of the Industrial Committee of the New England Council, was appointed to the Committee to "work with New England trade associations and other industrial groups in the promotion of employment and industrial regularization."

bility of employment more adequately in the future than in the past.

"(3) Such plans should aim to continuity of employment for the stable forces, as determined by each employer, and should include provision for making the plans effective."

The release continued that in addition to the credo, the industrial Committee of the Council had recommended a more comprehensive code, which numerous firms had accepted. The code was as follows:

"(1) It is ever the obligation of business to initiate and pursue such policies and practices as will make governmental intervention unnecessary in matters which business should handle for and by itself;

"(2) One constructive result of the current depression should be a definite plan on the part of business management to provide for stability of employment more adequately than in the past;

"(3) The first essential of such a plan is a determination by the individual employer of what constitutes his stable force under normal operating conditions;

"(4) The second essential is the acceptance by each employer of responsibility for providing continuity of employment for his stable force;

"(5) The third essential is the acceptance by each employer — when unable to provide continuous employment for his stable force — of the obligation to maintain a percentage of normal weekly earnings for that force;

"(6) The fourth essential is the determination, by each employer, of the minimum percentage of normal weekly earnings he will provide at such times, and for what period;

"(7) The fifth essential is long-time planning and financial provision, through reserves or otherwise, for these purposes."

In July, 1931, under the auspices of the Committee, a small group of trade association executives met to discuss a program for the development of regular operations within trade associations. As result of the meeting a letter was sent by the Committee to approximately 250 associations, asking cooperation on the following measures:

"Emergency Policies:

"1. To encourage members of your association to continue through the present depression the spreading of work and other policies which have helped to relieve the situation.

"2. To advise the President's Committee as to policies adopted by members of your association and their evaluation of the efficacy of such policies.

"*Long-Term Planning:*

"1. To encourage the setting up among your membership and over your entire industry of those management practices and those informational services needed for better control of operation and for giving assurance of greater regularity of income for those dependent upon your industry.

"2. To advise the President's Committee of your activities in this work and the results obtained."

In response to this request for cooperation, replies were received within a month's time from but approximately thirty associations, most of which were already actively cooperating with the Committee. Lack of fuller cooperative response was attributed primarily to the fact that as the depression advanced many trade associations, due to the falling off of revenues, tended to lose their effectiveness.

COOPERATION WITH PROFESSIONAL GROUPS

As part of the program for dealing with the emergency and for developing measures against later depressions, the Committee cooperated with such professional groups as the Engineering Societies and the Taylor Society.

As previously noted, the American Engineering Council was an important factor in the organization of the Public Works Section and much of the work of the section was facilitated through the cooperation of local engineering groups. On November 26, 1930, in a letter addressed to the American Engineering Council, Colonel Woods asked the Council to act as a liaison between the Committee and the various engineering societies "in order that their great organizations and numerous membership may do all within their power to aid the attack on unemployment." Colonel Woods suggested three important services as follows:

"1. Prepare a strong statement for distribution at once among your membership setting forth in a suggestive way the policies which resourceful management can adopt *now* in this winter's emergency to reduce the amount and minimize the burden of unemployment. I would be glad to give general publicity to such statement from Washington.

"2. Circularize your membership asking each of them to send in material describing the effective policies and methods used by different firms in their acquaintance to deal with irregular employment and unemployment either during the emergency or permanently.

"3. Compile the data so sent in at the earliest practicable time and issue them in the form of a report to your membership."

The Council promptly complied with Colonel Woods' request; and undertook to pursue the project "aggressively on a nation-wide basis." On December 1, Colonel Woods addressed the annual meeting of the American Society of Mechanical Engineers. In the course of his remarks, speaking of unemployment, Colonel Woods said:

> "When we talk about the problem of unemployment we have steadily in mind the plight of the unemployed men and women, who, because of their condition of idleness, are in a state of great anxiety and economic despair and are at times haunted, not only by the specter, but by the shadow of poverty. Our task is to remedy this suffering . . . and may I add my testimony to that of practically every competent observer of the present situation — that it is due to no constitutional laziness on the part of our working people.
>
> "Now this problem of unemployment is, in one sense, a problem of human relations, it is a problem to which the mind of the engineer can be addressed with the expectation of practical results. The engineer is in a peculiar way both the prophet and the guide of our contemporary civilization."

Following Colonel Woods' address, the Society adopted a plan for a central committee of five men to direct the Society's regional associations. A questionnaire was prepared; and the Association of Mechanical Engineers, the American Institution of Electrical Engineers, and several other affiliated groups organized more than 100 sub-committees to make a thorough canvass of the industries in their localities. In the New York *Times* of December 29, 1930, an item was carried to the effect that the working committees would canvass all manufacturing companies in the United States employing 100 or more persons, not including public utilities, and that Chambers of Commerce, boards of trade, and other organizations would be asked to aid. The press further said that every employer would be requested to state the number of workers employed in each of the twelve months of 1929 and 1930, and to describe what regularization, if any, had been attempted.

In January the American Engineering Council forwarded a progress report to the President's Emergency Committee for Employment. The report indicated that the local sub-committees in making their investigations had not found "any types of emergency or permanent measures . . . not contained in . . . *Outline of Industrial Policies and Practices in Time of Reduced Operation and Employment.*" Owing to the fact that the field of investigation "had been rather thoroughly combed," some of the engineers thought that their efforts were not entirely worthwhile; but they were assured "that another inquiry was worthwhile because it again brought to the attention of employers the necessity of giving consideration to the unemployment problem."

Based on the reports received from the local organizations the special committee of the engineers cooperating with the President's Emergency Committee for Employment, also submitted recommendations to the Committee with reference to accelerating the Government's public works program as discussed on page 49.

At its annual meeting in January, 1931, the American Engineering Council adopted a report — *Balancing the Forces of Consumption, Production, and Distribution* — and authorized steps to carry out its recommendations.

Also at the invitation of the Committee the Taylor Society, an international organization formed to promote the science and art of administration and management, and the Merchants Association of New York, made specific recommendations for meeting the emergency.

In a press release issued by the Committee on January 11, 1931, it was stated that "sound business and industrial management are necessary factors in the solution of unemployment, in the belief of various groups which have undertaken to outline approved policies and procedure in time of decreased employment." With reference to a study undertaken by the Taylor Society the release stated that the Society had submitted the following program for business and industry:

> "1. Industrial plants can begin and concentrate investment in necessary new construction and new equipment and in general maintenance work; many such projects have been planned and shelved during prosperity for lack of time to execute them. It would be good management to do this work now while materials are cheap and labor available.
>
> "2. Mercantile establishments likewise can now construct the new store fronts which they have contemplated, procure and install new show cases and shelves, and otherwise prepare for active business.
>
> "3. Owners of homes and buildings for rent will find the present an advantageous time for economical new construction and maintenance work. Apparently inconsequential in each instance, the aggregate of such work would have a very considerable influence.
>
> "4. In addition to capital construction and maintenance projects suggested above, both industrialists and merchants should manifest a more venturous confidence in the future; the former by resuming the production of staples and experimenting with new lines, the latter by price reductions which clear their shelves for new merchandise purchased at lower costs and salable at lower prices.
>
> "5. Industrialists and merchants both should re-examine their management methods from the standpoint of scientific management and discover every possible method of stimulating business and every possible economy of purchasing, production

and merchandising, thereby establishing in reduced costs of management and operating a basis for continuance of employment and high wages.

"6. For the time being in order that some earned income may be realized by as large a proportion as possible of workers in the community, all employers should distribute available work by shortening work periods rather than by employing a limited number full-time."

The Taylor Society further suggested the formation in every community of a so-called Community Planning Board; for, to quote the Taylor Society's statement:

> "These measures of relief which the Federal and State governments may pursue involve so many legislative, administrative, legal and engineering factors, . . . that, although powerful when they become effective, they are ponderous and slow. It is in the local communities that needs and resources can be surveyed speedily, projects formulated promptly, and results secured quickly."

Recommending that the Community Planning Boards, with emergency moral power-of-attorney, be made up of "representative bankers, ready to give credit; manufacturers ready to undertake production; merchants ready to reduce prices in order to clean off their shelves; contractors ready to start buildings; and officers of local governments ready to start public works," the Taylor Society's statement indicated three ways in which they might proceed:

> "1. Create an emergency labor exchange which will take a census of the unemployed and classify them according to skill, expertness and capacities.
>
> "2. Simultaneously make a survey of the need of public work and of the needs of individual enterprises for the purpose of formulating projects which will give employment to those in need.
>
> "3. Formulate specific projects which would create jobs: in public works, in industrial and mercantile establishments, and even in private dwellings (including details of work recommended, costs and sources of credit), and submit them as moral community obligations of those respectively concerned."

The Merchants Association, in urging "every employer, large or small, to make his own operations a part of the constructive force which business is exerting in the present situation," made the following suggestions:

> "1. Avoid reductions in force unless they are absolutely unavoidable.
>
> "2. Go the limit in initiating sound programs of renovation and construction.

"3. Work the full force part of the time rather than part of the force all of the time.

"4. Manufacture to stock to the limit of your faith in the future.

"5. Do all within your power to dispel unjustified apprehension among employees concerning continuity of employment.

"6. Having done all that you can to stabilize your business, initiate an intensive effort to realize on the potential market.

"7. Do not say that business cannot be done; rather study how it can be done."

QUESTIONNAIRES ON EMPLOYMENT MEASURES

In order to secure additional data on measures in use to meet the emergency, under date of March 1, 1931, a questionnaire was sent to over 100 large employers of labor.[7] Enclosed with the questionnaire was a copy of the *Outline,* in the margins of which each company was asked to check the measures they were using and to give such supplementary comment as they wished. A second questionnaire, dated May 15 (see Appendix E), was sent to the same list of employers and, in addition, to approximately 400 smaller firms. Under date of July 12, a report was issued to the press to the following effect:

"The success of the spreading of work as a practical expedient is shown both by its widespread adoption and by its continuance through the depression. Several millions of persons are now on emergency part-time. All available figures indicate that the number exceeds the total of existing unemployment. Hundreds of thousands of workers now on part time would be jobless had not the spreading of work been interposed.

"The extent to which this system is operating to prevent unemployment is in itself sufficient reason why the spreading of work should be continued until recovery eliminates the need. Evidence at hand indicates that the system is being strengthened. Even firms which are hard pressed by economic conditions have, in many instances, been able to retain all or most

[7] "Questionnaire:

INDUSTRIAL PROCEDURE IN TIME OF
Reduced Operations and Employment

Company_____

Normal weekly payroll; Amount_____; Number_____
(Average for 1929, or similar figure available for comparison)

Number of employees on payroll as of approximately March 1, 1931
Full Time_____; Part Time_____

Amount of weekly payroll as of approximately March 1, 1931
$_____

Remarks or additional information supplementing check list:
Please indicate any information considered as confidential."

of their personnel by part-time operations despite seasonal decline in their business. . . .

"As an example of what is being done, we have at hand a survey covering 55 large firms which on May 15, 1931 employed 1,056,352. On March 1, of this year, 288,953 employees under this group were on part time and on May 15, there were 316,086 on part time. By this increase in part time, the decline of employment in this group was held down to less than one per cent although a seasonal decline in business was well established in some of the industries represented in the survey.

"Of the persons employed by the group on May 15, 30 per cent were on part time, showing that nearly one-third of the workers in the 55 companies are being carried under the spreading of work system. It was found that these part-time workers were being employed about 70 per cent of their normal hours on the average. This means that under full-time operations with surplus labor laid off, 30 per cent of the part-timers, or approximately 90,000 now working in the group, would in all probability have been laid off had it not been for the spreading of work. . . .

"By extending an expressed or implied guarantee that each man on the payroll will receive his share of available work, industrial firms have made a substantial contribution to the nation's buying morale. With the fear of unemployment removed, although payrolls may not increase under the spreading of work, there is no question that two men on half time will spend more than one man on full time and one man unemployed, particularly since the man on full time in a plant which does not spread work is constantly uncertain as to his job.

"Although reduced income works hardship, it is better to spread the burden of depression, than to have full-time workers in normal circumstances on the one hand and totally unemployed in dire want on the other. In most instances there has been little need for direct relief among part-time workers, thus reducing charity burdens.

"Companies stand to gain from the spreading of work by retaining a staff of trained and loyal personnel, an important factor in promoting efficiency and reducing the costs of hiring new labor when full-time operations are resumed. Companies are gaining further through the new management methods which have been learned during the depression.

"Now that emergency measures to stimulate employment have reached such extensive proportions, it may be expected that by similar means many firms will be able to avoid lay-offs in future dull periods. To set up a system for part-time work in a firm normally employing all its forces on full time, leads to the further consideration of management policies of a more permanent nature. By present experience many business leaders are becoming convinced that further employment crises may be minimized by advance planning, by setting up reserves

to provide unemployment insurance or guaranteed employment, and by adjusting sales and production to a more even flow.

"Industry is now engaged in a nation-wide experiment, which, through its proven success in spreading the burden of hard times, is leading toward an ultimate stabilization, the benefits of which are beyond present prediction."

Following the publication of the pamphlet *Policies and Practices of the Stabilization of Employment in Retail Establishments,* an employment questionnaire (see Appendix F) was sent to retailers in four important retail lines — department stores, grocers, furniture dealers, and retail clothiers. The questionnaire was accompanied by a copy of the pamphlet on which recipients were asked to check the policies being used to describe methods not covered in the pamphlet, and to indicate such policies as might be adopted.

On July 28, a press release was issued to the effect that "employment has been steadily maintained despite seasonal business variations in a group of large grocery establishments included in a special survey by the President's Emergency Committee for Employment. . . . Although the grocery business is comparatively little affected in volume by business depression there are seasonal dull periods, particularly in the summer months. Furthermore, store income is affected by lower prices. The survey shows, however, that layoffs in the group reporting will be of negligible extent this summer."

Under date of August 12, the Committee issued a release to the effect that according to a survey by the Committee employment would be maintained through the summer without serious reduction in a group of large department stores. The release further stated that although employment had been built up to meet the Easter rush, many employees taken on were retained and that the May 15 total of employment in the group was only 6 per cent less than the average for 1929.

The release continued:

"Reports . . . show that retail stores are making a concerted effort to meet the employment situation. It further shows that emergency measures, similar to those being used by manufacturing concerns, not only are adaptable to retail operations but actually are being applied to a wide extent. The use of such measures to eliminate further decreases in employment is the principal step which individual concerns can take toward the restoration of normal conditions. That the retail stores included in our survey are to a large degree meeting this objective, places this group as one of the stable elements contributing to an accelerated recovery of business."

The activities of the Committee with reference to spreading work were continued by the President's Organization on Unemployment Relief. In March 1932, a questionnaire was sent to some 25,000 companies whose rated capitalization in 1929 was $100,000 or more. Returns were received from 6551 companies.[8]

The reporting companies, representing all sizes and practically every type of industry and business, in 1929 employed 3,475,870 persons at a weekly pay-roll of $104,461,727. During the pay-roll period nearest March 15, 1932, these companies employed 2,547,901 at a weekly pay-roll amounting to $60,626,129. While pay-rolls had decreased 42 per cent, employment had decreased by 26.7 per cent.

On March 15, 1932, of those employed, 1,428,116, or 56.1 per cent, were on part time. These part-time workers were employed, on the average, 58.7 per cent of full time.

The evidence of the degree of spreading work as indicated by the reports of the 6551 companies is, in general, supported by the Federal Reserve Board's indices of factory employment and factory payrolls given below.[9] It will be noted that, beginning in October 1930, the index of payrolls was constantly lower than that for employment, and that as the intensity of the depression grew, the disparity between the two indices tended to increase. This disparity which was but 3 points in March 1931, had widened to 13 points by November 1931, and to 20 points in December 1932.

[8] See *Monthly Labor Review*, September 1932, page 489.

[9] FEDERAL RESERVE BOARD INDICES:

	1930 Factory Employment	*1930* Factory Payroll	*1931* Factory Employment	*1931* Factory Payroll	*1932* Factory Employment	*1932* Factory Payroll
Jan.	96	94	78	68	68	52
Feb.	94	98	78	73	68	54
Mar.	93	98	78	75	66	52
Apr.	92	97	78	74	64	49
May	91	94	78	72	62	46
June	90	91	76	68	60	43
July	87	83	75	64	58	40
Aug.	84	82	74	64	59	40
Sept.	83	83	73	62	60	42
Oct.	82	81	70	59	61	44
Nov.	81	75	69	56	61	42
Dec.	80	74	69	56	61	41

(1923–25 = 100)

CHAPTER VI

Program with the Individual Citizen[1]

Sprucing up the Home

On October 25, 1930, as an initial step to interest the entire public in providing work for the unemployed, Colonel Woods, in the making of a sound picture, urged that:

> "Every citizen in the United States should maintain the broad viewpoint toward public improvement and private improvement that has been the basis of America's rise in the standards of public improvement and the standards of private living. Now is the time for states, counties and cities to do that necessary work which will help them to become better communities to live in and which will give employment to labor at this time. Now is the time for the householders and home owners of the country to tide over this present condition of excess labor and low cost material, to spruce up, to paint up, to fix up the home and its surroundings and to make better permanent living conditions for themselves.
>
> "These two thoughts carried out by our millions would soon help to allay the problem we now have before us."

On Sunday, October 26, in a nation-wide broadcast, Colonel Woods again stressed the importance of a united effort in meeting the emergency. Making passing reference to the initiation of public works as a means of alleviating unemployment, and to the part of industry in the emergency, Colonel Woods, addressing himself "to his fellow countryman in his home," indicated how, by providing jobs through sprucing up his home, he might as an individual, measurably reduce unemployment. The talk was as follows:

> "We are engaged in a battle against human suffering. And I am here tonight, as chairman of President Hoover's Emergency Committee for Employment, to talk over with you some of the ways in which all can help.
>
> "We can win the battle if all of us work together – each according to his means and opportunities. There is no other way I know of that a nation can meet such a widespread and deep-seated emergency.
>
> "No one can do it for us. We must do it ourselves. We must recognize that fact first of all, just as President Hoover recognized it in the efforts he has been making during the past

[1] The activities of the Committee with reference to the part of women in the emergency are discussed in a following chapter.

year. The problem of employment is nation-wide. Its solution can only be found by nation-wide attack upon it.

"Speaking as I am to you in your homes, I shall not talk to you of what the United States Government, the state, the county, the city and other units of government can do to undertake public works and alleviate unemployment. Four hundred fifty million dollars ($450,000,000) of state and municipal bonds for public works entailing the use of labor and materials are now before the American people for vote on November 4.

"Nor am I on this Sunday evening going to talk to you in your homes as I would if you were at work on Monday morning. If I were talking to you as business men and women, I should point out to you how much depends upon what industry does in this battle against human suffering. According to the information which comes to me from all sides, industry has already been bestirring itself vigorously in the effort to provide employment. It must continue to do so.

"I want to talk to you as one of you, as one American citizen would talk to his fellow countryman in his home, upon a vital problem affecting our welfare and our children's welfare, a problem which affects all of us alike, rich and poor, employed and unemployed, men, women, and children — this problem of more employment and our share towards the solution of the present economic depression.

"What can we all do? We — you and I — can all help. As householders and home owners, we can now, in this time of excess labor and low cost materials, do these things of permanent value to our homes and in our communities which we have always wanted to do. The American home, the high regard in which it has always been held by the American people, and the loyal care that has always been given it, form the foundation stone of America's position in the world.

"In this sense, what can we do?

"Let us all spruce up our homes — make the repairs that are needed — do that little job of painting we thought about so long — fix up the odd corners of the yard — replace the wornout or broken parts that halt the smooth running of the household.

"Let us do the same thing in our communities. We can give work to hundreds of thousands by improving shabby playgrounds, unsightly vacant lots, dirty streets, and by clearing up all those community black spots that have annoyed us as conscientious citizens so long.

"In the aggregate, if 24,000,000 families followed this program as far as their means permitted, it would help to eliminate the present condition.

"Savings bank deposits show increases. Certainly America has not become a hoarding nation, afraid of its own future. In this matter of an attitude towards life at this time, the nation needs the leadership of its millions of citizens — each an example to the other.

"The problem should be solved. It will be solved. There can be no compromise in its solution." [2]

To assist the individual citizen in surveying his home for possible repairs, a pamphlet — *Suggestions for Possible Repairs and Improvements in the Home and Its Equipment* — was prepared for the Committee by the Department of Commerce. The pamphlet contained over 150 suggestions; and included a list which the home owner could check and send to his local emergency employment committee. Over 100,000 copies of the pamphlet were distributed through emergency employment committees, chambers of commerce, building supply companies, building and loan associations, advertising agencies, governmental departments and better home groups.

As a further step in the sprucing-up campaign, the American Association of Advertising Agencies, cooperating with the Committee, prepared an advertising campaign based on the possibilities of meeting the unemployment problem, not nationally, but locally, by putting a neighbor to work. A series of four newspaper advertisements, three of which centered around a check list of 100 spruce-up jobs, was prepared. Some 700 newspapers were supplied with matrices, and an additional 1,300 papers were given the opportunity of publishing them. In addition 75,000 car cards with the "Give Your Neighbor a Job" motif were distributed through the cooperation of Barron Collier, Inc., and approximately 10,000 were distributed to railroads for use in their stations and suburban trains.[3]

As a part of the campaign to put a neighbor to work, the Committee issued a number of releases, particularly for use in trade papers, pointing out that the check list definitely indicated the use of such materials as lumber, paint, cement, plumbing supplies, tin, hardware, and electric wire.[4]

[2] On January 6, in the first of a series of radio talks which described the various cooperative measures by which women were meeting the emergency Mrs. Arthur Woods again emphasized the importance of sprucing up.

[3] The commission rate for the distribution of the 75,000 car cards, which was made at no cost to the Committee, was approximately $225,000.

[4] In response to requests from construction firms and material dealers as to the manner in which they could cooperate with the Committee, the following copy for outdoor signs or other advertising use was made available:

1. For use on construction jobs:

BUILDING NOW
TO HELP
REBUILD PROSPERITY

Construction work on this project is progressing *now* to cooperate with The President's Emergency Committee for Employment.

_____(Name of builder or owner)

2. For use by material dealers:

BUILD NOW
TO HELP
REBUILD PROSPERITY

The President's Emergency Committee for Employment says:
Now is the time to make additions, improvements, repairs, to have odd jobs done around your home . . . to increase the worth of your property while materials are low-priced . . . to increase the country's buying power . . . *to give a neighbor a job.*

_____(Name of dealer.)

Late in December, the Committee sought to enlist the "cooperation of 6,000,000 farm owners and operators of the country in providing increased employment." In a release on December 23, and directed to the presidents of the National Grange, the National Cooperative Milk Producers' Federation, the Dairymen's League, the American Farm Bureau Federation, and the National Farmers' Union, Colonel Woods said:

> "The Committee has been informed by representatives of the farming groups of this country that in many areas such work as the construction and repair of farm buildings and facilities, private road building, ditching, repair of fences, the repair and replacement of machinery, and many other projects can be done economically during the winter months.
>
> "The interest and cooperation of all those in a position to hasten such projects to relieve by employment the distressed persons of their neighborhood is vital in meeting the emergency which will exist in many regions during the coming months. This Committee is seeking the cooperation of all types of employers, public and private, and it feels that the great body of farmers in this country can do much to assist at this time.
>
> "It has already become manifest that many unemployed persons, discouraged because of their inability to secure work in industrial centers, have returned to the rural communities from which they originally came. We recognize the serious problem which is thus created. Every effort is being made by this Committee to encourage employment and relief in industrial centers to eliminate the distress which stimulates such return, but where it has occurred it is highly necessary for rural communities to act in searching out and alleviating through local employment, if possible, those persons facing hardship during the winter months."

MODERNIZING

As a further step in the program to encourage individual citizens to provide employment opportunities about his home, the Committee next called attention to the possibilities of modernizing. In April, a pamphlet — *Modernizing the Home* — in which were listed over 230 suggestions for modern improvements, was issued and distributed to state and local employment committees, chambers of commerce, remodeling bureaus, commercial firms handling materials for which a demand would be stimulated by modernizing activities, and through Better Homes in America to its local committees.[5]

[5] On December 30, Colonel Woods sent a telegraphic message to the Centennial Banquet Committee of the United States Building and Loan League, in the course of which he said:

"In a time such as the present, when our civilization is faced with considerable economic discouragement and distress, when there is an unfortunate stagnation in

Footnote 5 continued on Page 93

In the introductory paragraph of the pamphlet the possibilities of modernizing in providing work opportunities were set forth as follows:

> "New standards in the modern home are being set year by year. Unless a home has received recent alterations, the chances are that its comfort, convenience, and appearance can be improved greatly. Besides, wise improvement often increases sale or rental value by more than the amount invested, when the condition of the structure and the neighborhood in which it is located are favorable.
>
> "There is no better time than during a business depression to bring the home up with the times through repairs and modern improvements. Materials are at bargain prices. Plenty of good workmen are available. Often favorable terms can be arranged for financing.
>
> "Under these conditions, many houses and apartments, old and new, call for immediate attention. The householder who has work done at such time will not only better his property values and living conditions but also will have the satisfaction of helping during a national emergency by utilizing labor and materials.
>
> "Those who are able to take advantage of this double opportunity may find, in the following list, suggestions for a practical program of immediate improvement. Those who are renting their homes may be able to interest the property owner in improvements. While the standards suggested are high in their entirety, some of these things are within the reach of almost every householder or apartment dweller.
>
> "Local employment committees, modernizing bureaus, contractors, architects, dealers, etc., can assist in giving advice, and cost estimates. The check list at the back of this pamphlet may help householders to indicate their needs."

Footnote 5 continued from Page 92

many industries — the consequence of previous over-production — any movement that tends not only to increase employment but at the same time to consume existing stocks of commodities, should receive the most vigorous support. Home-modernization or remodelling is outstanding in this category.

"In all our cities and towns one comes upon large areas filled with houses, varying in age from fifteen to thirty years, located in fine neighborhoods and built to last. But they lack many conveniences both of arrangement and equipment which have lately come to be regarded almost as necessities. An investment within the reach of the average man — anywhere from $500 to $2,500 — can do wonders toward improving the liveability of such a house; and it is in the financing of such improvements through loans that the Building and Loan League has done some of its finest work, I believe.

"I remember being considerably impressed by some of the League's estimates, pointing out that at least one hundred thousand old homes could be modernized, at an average cost of one thousand dollars, and that this modernization program would circulate one hundred million dollars to material manufacturers and to labor. The same report went on to say that there are at least two hundred thousand old kitchens and bathrooms alone in need of modernization, which, at an average remodelling cost of seven hundred and fifty dollars each, would pass on one hundred and fifty million dollars to labor."

The telegram was mimeographed and sent to the chairmen of all listed banquets for inclusion in their programs.

In June 1931 conferences were held between representatives of the United States Chamber of Commerce and the American Federation of Labor and members of the Committee. As a result of these conferences it was agreed that both the United States Chamber of Commerce and the American Federation of Labor would call upon their local bodies to work together to sponsor modernizing. It was further agreed that the two organizations would send letters independently, outlining the program of their local representatives; and that after sufficient time had elapsed to enable the groups to get the information, national publicity would be given to the movement by the President's Emergency Committee for Employment.

SPRUCING UP THE GARDEN

With the coming of spring in 1931, attention was called to the possibilities which gardens offered both as a source of work for the unemployed and as a source of food for those who faced a shortage.

A pamphlet — *Spruce Up Your Garden* — was prepared and distributed to garden clubs and to other groups cooperating with the Women's Division of the Committee. The pamphlet contained suggestions for community and home garden improvements and for home vegetable gardens in rural districts; a check list of things to be done; and a selected list of Farm Bulletins and Farm Bulletin leaflets which could be obtained from the United States Department of Agriculture.

In a letter sent out with the pamphlets, Dr. Lillian M. Gilbreth, emphasizing the possibilities of gardens in the emergency, said in part:

> "This question of helping can be divided into two parts: the first is the community problem of beautification, outdoor conditions, gardens, etc. The other is in stressing the need for small home gardens everywhere in rural districts when the food budget is small. Get in touch with your county agent; work with him in every way possible to urge farmers to start small vegetable gardens at the farmstead. The Government is glad to help in this by giving bulletins, and their agricultural workers will be glad to work with individuals or clubs in furthering these projects. Plan a campaign of community buying in your neighborhood so that seeds may be bought in wholesale lots done up in small packages, to be given to those who need them or sold at wholesale prices. . . .
>
> "If you live in a region which has been afflicted, offer to supervise such gardens, solicit funds for seeds. Start a campaign for gardens as an emergency measure. Get in touch with your State agricultural college. Through their home demonstration and boys' and girls' clubs have canning demonstrations.
>
> "Almost every part of our country would benefit from better gardens and the unemployed would find employment. Your garden club can help no matter what its size. The club as a

club can sponsor it. Still another plan would be to have each member pledge a definite amount weekly to carry on such work. If each one in an organization having even 15 members would pledge $1 per week, this would mean steady work for one man. At this rate a club of 30 would thus be providing for the employment of two men, such men to work under the club's direction either in members' gardens or on civic improvements, fitting any and all plans in with the work of any local committees."

CHAPTER VII

Direct Relief Activities

THE primary purpose of the President's Emergency Committee for Employment was to aid the unemployed by bringing about increased employment opportunities through cooperation with governmental agencies — Federal, state and local — with national organizations, and with industry. The Committee realized, however, that despite every effort in this direction, the winter would see much distress which could be met only by direct material relief. That such relief might be effectively administered the Committee, cooperating with national associations functioning in the relief field, with religious organizations, and with Departments of the Federal Government, made available information relative to tested principles and methods of giving direct relief, and gathered data on the relief needs throughout the country. In the spring of 1931, when it seemed apparent that even with a substantial improvement in business, relief needs would be heavy during the winter of 1931–32, the Committee working with several national relief organizations, developed a cooperative program which would enable state and local organizations to cope with the situation.

In developing its relief program, the Committee recognized that in normal times, throughout the United States, local communities — municipalities, townships and counties — were the traditional sources of relief. It was further recognized that, in general, expenditures for relief from local tax funds were several times greater than those from local private charity.

In the existing emergency the Committee found itself in general agreement with the position taken by the President, namely, that Federal funds should not be used for relief purposes in the emergency until local and state resources had been used to the maximum. As state taxation was largely an untapped source of relief funds, the Administration and the Committee were of the opinion that before recourse was made to Federal funds, states sources should be developed. In brief the position taken was that local resources, in accordance with established usage, should, so to speak, be the first line of defense; that state resources should constitute the second; and that only in event the emergency developed beyond the power of local and state taxation and private charity, should Federal tax funds be used.[1]

[1] On one occasion Colonel Woods declined a request to testify before a Congressional committee to the effect that Federal relief was wrong in principle; for his opinion, as indicated, was that Federal tax funds should be used if local and state tax resources and private charity failed to meet an emergency situation.

With reference to the risks inherent in the administration of local public relief, the Committee recognized that it tended to become excessive, partly because of difficulties in administration, partly because of the remoteness of individual responsibility and partly because of its being necessarily more or less inflexible in application. The Committee was further convinced, not only that Federal relief, if instituted, would be subject to all the abuses inherent in local public relief but also that such risks would be increased; for the Federal Government had no machinery for administering relief directly; and the Federal treasury was even more remote from both the recipient and administrator than the local treasury. Consequently, when agitation developed in Congress for making Federal funds available to the Red Cross for relief purposes, the Committee, while giving no public expression to its views, preferred dependence on private funds and, therefore, favored the steps taken by the Red Cross to raise a national fund by private subscription for use in the drought area.

The Committee, however, always acted on the policy that relief needs should be promptly met. The information which came to the Committee during the winter of 1930–31, while not entirely conclusive, indicated that the larger cities were meeting their relief needs. When it was discovered that acute distress existed in the soft coal mining area of West Virginia and neighboring states, the Committee, working with the Red Cross, departments of the Federal Government, and other agencies developed a program which made outside resources available to supplement local resources.

COMMUNITY CHESTS

At the time the Committee initiated its activities, over 200 cities were undertaking or were to undertake community chest campaigns to raise $55,000,000. The appointment of a national committee with the attendant possibility of a national drive for relief funds, had the tendency to diminish interest in local efforts. In fact, when the Committee was formed a project for a national relief fund of $100,000,000 to be raised by private subscription was before the President. The Committee, believing that such a national drive would disrupt local efforts to raise relief funds; that it would complicate the problem of unemployment relief, tending to make relief overshadow other constructive and permanent proposals; and that there was no evidence to justify the belief that emergency aid on a national scale was necessary for drought relief or for unemployment relief, urged the President to reject the proposal. Except for the national campaign for the $10,000,000 drought

relief fund for the Red Cross, undertaken in January, 1931, no drive for a national relief fund was held.[2]

To counteract any tendency towards decreased interest in local fund-raising efforts, the Committee, in accordance with its policy of encouraging the meeting of local needs with local resources, urged the support of local drives. With reference to these drives it should be borne in mind that the major part of the funds were being raised to carry on normal relief activities, and were specifically for unemployment relief *per se*.

In a news release issued shortly after the Committee began operation, Colonel Woods stated:

> "Increased funds for local relief and social agencies are needed if human suffering is to be prevented. Various community chests, non-sectarian and sectarian, are financing this direct and indirect burden of unemployment. They should be encouraged.
>
> "Hospitals and dispensaries must receive more free patients; children's organizations will be more crowded as broken homes are increased in the strain of hard times, agencies providing for the wholesome use of leisure will be thronged by idle people."

On November 7, it was announced that one of the most successful community chest campaigns in history had been reported to the Committee. The success of the campaigns was regarded as

> "The best evidence of the determination of American communities to provide adequate funds this winter for both the normal welfare work and special unemployment relief as far as this matter can be taken care of by community chest campaigns. Up through Thursday night, November 6, 40 of the 220 chest campaigns to be conducted this fall have been completed with the following results:
>
> "The goal set for the campaigns in these 40 cities was $12,458,251. The total reached in these 40 cities in 1929 was $11,766,394. These figures show an average gain of 6.2 per cent over the money raised in these cities one year ago to cover normal budgets in these communities and some additional provision for the special relief needs this year."

In the news bulletin of May 20, 1931, of the Association of Community Chests and Councils, it was stated that 232 comparable chests, the majority of which held their campaigns in the fall of 1930, raised $74,312,107 for use in 1931 as against $69,088,826 for use in 1930, and that these chests succeeded in securing 99.2 per cent of their goals.

[2] When asked to indorse specific local drives the Committee took the position that without a greater knowledge of local conditions than it possessed, it could not advisedly do so.

DATA ON THE RELIEF SITUATION

In order to secure the best available information on the relief situation throughout the country the Committee turned to the Family Welfare Association of America, the Association of Community Chests and Councils, the Russell Sage Foundation, the Red Cross, and the Children's Bureau of the Department of Labor.[8]

In November, the Family Welfare Association and the Association of Community Chests and Councils sent questionnaires to their members located in over 200 cities. The questionnaires as returned by the local members of the two national organizations were transmitted to the Committee, who found them a valuable guide in forming policy.

The Russell Sage Foundation and the Children's Bureau supplied the Committee with their monthly relief statistics for approximately 100 cities of 50,000 population and over. The Foundation, moreover, submitted data which reinforced the opinion of the Committee that the burden of relief would continue to increase for nearly a year after a permanent trend towards improvement in the general situation developed.

At the request of the Committee, the Children's Bureau gathered data on the cost of family relief in 100 cities of 50,000 population and over in 1929 and 1930.

The Bureau of the Census undertook two surveys for the Committee; one, to check the progress of the public works movement in cities and states; and two, to make available comparative data as to expenditures for relief during the first three months of 1929 and 1931.

Working closely with the Red Cross the Committee was kept informed of the relief situation in the drought affected area. The relation between the Red Cross and the Committee with respect to drought relief will be discussed in detail later in this chapter.

GENERAL PRINCIPLES AND METHODS OF RELIEF ADMINISTRATION

With reference to the administration of relief funds, the Committee repeatedly urged that the agencies which normally administered relief should continue to do so in the emergency; for to give relief wisely and considerately required the experience and skill which only established agencies possessed. The Committee, moreover, took the position that if established agencies were adequately supported and their efforts properly coordinated, soup kitchens, bread lines and other hasty and ill-advised relief measures would be avoided. The Committee, furthermore, urged that work relief programs be organized as a method of

[8] A detailed discussion of steps taken to procure data on the relief situation will be found in Chapter III, page 35.

using relief funds more acceptable than gifts of money to the self-respecting unemployed.

Acting on the principle that established relief agencies should continue to administer relief in the emergency, the Committee undertook to encourage the full use of such agencies and to increase their effectiveness by making available information relative to tested procedures.

On November 21, 1930, a member of the Committee, Porter R. Lee, in a radio address urged the continued use of established agencies and indicated general principles for administering relief in the emergency. His talk was as follows:

> "The best relief measures for unemployment are those which provide jobs for the unemployed. Such measures are best for the unemployed and best for the community at large. There is a reason to believe that the fine cooperation of industry and Federal, state and municipal governments in the present emergency, is making available a greater relief by employment than was true in previous periods of depression.
>
> "Despite everything that can be done to provide jobs, however, there will be an unprecedented amount of distress this winter, which can only be met by direct relief.
>
> "What are some of the obvious principles which should be recognized in giving direct relief to the unemployed?
>
> "*First* — Relief funds should be distributed by those agencies which normally administer relief. To give relief wisely and considerately requires experience and skill, with which such agencies are equipped. So far as our information goes, we know of no community in which the city itself or any responsible group of citizens has created a new agency to distribute unemployment relief.
>
> "*Second* — When regular pay-roll jobs, even on part time are not available, work which would ordinarily not be done can be organized to create jobs for which men are paid out of relief funds. This method of using relief funds is more acceptable than gifts of money to the self-respecting unemployed man and it makes possible work of practical value to the community which would otherwise not be undertaken. The kind of work so undertaken varies; work in parks, street cleaning, the building of public recreational grounds, and work on forest reserves are among the types now in use.
>
> "*Third* — It is the general belief that if regular relief agencies are adequately supported and equipped, soup kitchens and bread lines will be unnecessary. Such methods of affording relief are objectionable because they almost always necessitate the exposure of needy persons to the public gaze. The privations which unemployment means are sufficiently tragic without adding to them the bitterness which this method of relief entails.

"*Fourth* — The utmost that any community can do by way of providing jobs and relief funds will not be too much to take the edge off acute suffering this winter. There is need, therefore, of insuring the effective use of all such resources. In those cities which are best prepared for the acute distress which cold weather will soon bring, the coordination of the city's resources has been accomplished through the appointment of a general Citizens' Committee. The nature of such committees varies according to the problems and the civic habits of different communities. Ordinarily, such a committee if it is to provide real leadership, will be representative of industry, the municipal government, labor and the welfare agencies. Such a committee has the important function of focusing public attention upon the emergency and bringing about the correlation of the efforts of individuals and groups to meet it. One of its greatest services can be in the forestalling of ill-advised measures.

"There is every reason to believe that American communities will provide adequately for the needs of this emergency. It is worth pointing out, however, that the real burden of the winter will be carried by the unemployed themselves. I do not mean only that theirs is the burden of distress and suffering. I mean that in the relief of their own needs their own contribution is likely in the aggregate, to be larger than that of the collective efforts of industry, government and private benevolence. Through savings, through kinship help, through the stretching of meagre resources, through adjustments in their normal vocational standards, through the use of credit, through the scaling down of their standards of living — the unemployed themselves will help the American nation to weather this crisis. The best that the rest of us can do will be none too much as a reinforcement of their efforts. It will take a thoughtful leadership and widespread cooperation to make this best effective."

Through the cooperation of the Russell Sage Foundation and the Family Welfare Association of America, the Committee was able to place in the hands of state and local officials and unemployment committees, booklets and pamphlets describing effective organization and administration of relief.

The Russell Sage Foundation sent to each Governor a copy of *The Burden of Unemployment* by Philip Klein, a study based upon unemployment relief measures in fifteen cities during the depression of 1921. The Foundation also furnished the Committee with copies of *Emergency Relief in Times of Unemployment,* by Mary E. Richmond. In this memorandum prepared in October 1921, are summarized "the experience and policies of agencies responsible for the administration of relief in the United States during the last thirty years."

In December the Russell Sage Foundation published *Community Planning in Unemployment Emergencies* by Joanna C. Colcord. This

pamphlet brings together recommendations for community action to meet emergent unemployment. In the opening paragraph, emphasizing the necessity for avoiding untried principles or methods of relief, Miss Colcord says:

> "To the thoughtful citizen who has lived through several industrial depressions it is disheartening to realize how little we seem to retain of the experience of the one crisis to help us attack the next. Let a period of unemployment appear, and groups come forward in every community armed with the best of intentions, but not prepared to avoid the same mistakes in dealing with the problems of their unemployed fellows that were made in 1893–94, and in 1907–08, in 1914–15, and in 1920–21. There is a great deal that is inspiring about our American way of springing to instant answer to the call of need, but it has been said of many of the emergency measures which are first to be proposed in a period like this that 'their only merit is their spontaneity'."

Copies of this pamphlet were sent to some 3,000 publications; to libraries; to family welfare associations; to community chests and councils; to schools for social work; to the United States Chamber of Commerce, the American Federation of Labor and other national organizations for distribution to their local branches; and to all state and local employment committees with whom the Committee was in contact.

At the same time the Family Welfare Association of America issued two pamphlets for the Committee's use: [4]

The first of these pamphlets — *The Administration of Relief in Unemployment Emergencies* — compiled by Margaret E. Rich, was designed to "be of some help to communities that are anxious to plan and administer relief during an unemployment emergency so as to insure a maximum of help and a minimum of harm to the unemployed."

In the final paragraph of the pamphlet its recommendations are recapitulated as follows:

> "The cooperation of social and civic agencies, the sharing of responsibility for plans and activities by the city government and the public at large are essential to any program for meeting needs due to excessive unemployment. Through conferences of those actually at work, constructive plans may be used to forestall unwise emergency measures. The strengthening of existing agencies, the coordination of effort, the exchange of information through extended use of the social service exchange, should be aimed at. Right publicity, sane methods of money raising, decentralization of effort, elimination of the possibility of a CENTER to which everyone must go, avoidance

[4] In the preface of each pamphlet, the Family Welfare Association offered to assist local communities in applying to local situations the general suggestions set forth.

of anything which encourages mass treatment, which tends to 'bunch' people, will avert the stampede which is always to be feared in time of disaster."

The second pamphlet – *Care of the Homeless in Unemployment Emergencies* – compiled by Harriet E. Anderson and Margaret E. Rich, was especially pertinent because at the time the Committee was formed there were already indications that the number of dependent homeless men was already more than twice as great as a year previous. The pamphlet which urges prompt aid for the homeless "with as little publicity as possible, and in such a way as to discourage the development (or continuance) of undesirable habits of drifting," contains suggestions for central control, for providing food and shelter, for differentiating between resident and non-resident homeless men and between young and older men, for medical care, for police and legal restraint and for publicity.[5]

Supplementing the suggestions for administering material relief given in the pamphlets mentioned above, the Committee issued several reports describing specific measures taken by certain cities and states. In *Community Plans and Action* No. 1, the Committee made available suggestions for organization for relief, and in No. 3 for care of transients and homeless unemployed.

SPECIAL RELIEF SITUATIONS

While the Committee was trying to assist states and local communities by making available information relative to tested relief procedures and was gathering data covering the need for relief, it was working with various agencies to meet special relief situations. The development of automotive transportation had served to intensify the problem of the transient family and migratory worker. The devastating drought of the summer of 1930 had brought distress to certain agricultural areas usually little affected in an unemployment emergency. The severity of the depression had brought distress to white collar workers who were not familiar with the activities of relief agencies.

Transients

The work of the Committee as connected with the transient problem had two phases: the first, to urge the unemployed to remain in their own communities; the second, to suggest methods of handling transients.

The "magnetic pull" of the large city, always strong in times of dis-

[5] In January 1931, *The Time to Plan is Now*, a bulletin prepared in January 1929, by the American Association for Organizing Family Social Work was distributed. This pamphlet was prepared "as a guide for the use of family social workers, board members, and others who find themselves engulfed in the problems of unemployment, without time to read the vast literature on the subject."

tress, and the lure of the South with winter approaching, intensified the problem of the non-resident unemployed. Although, as non-residents, this group — the vagrant homeless, the migratory worker, the nomadic family, the health seeker, children of farmers returning home from cities where they had until recently found steady employment — had no legal claim upon the communities where they congregated, they were no less in need of food and shelter than the unemployed residents.

In its approach to the problem of care of transients the Committee took the position that such care was a local matter, and that the use of Federal funds not only would weaken the pressure to provide local funds but would also lead to certain undesirable results.

Federal appropriations for transients without other appropriations for the care of resident families would rightly or wrongly be interpreted as discrimination in favor of this class as against citizens in need who were not of the migratory group.

Moreover, in case of provision of Federal funds for transients, the provision of Federal funds for other local relief projects would be urged.

Two of the first press releases of the Committee under date of October 27 and October 31 sought to discourage workers from wandering from one city to another in search of work, by pointing out that most of the cities had a surplus of men, and that in one state preference was "almost universally" being given to local workers against migratory or "transient" workers.

On November 14, it was announced that a plan for cutting down undue traveling on the part of the unemployed was being worked out by the National Association of Travelers' Aid Societies. The Travelers' Aid organizations, it was stated, in addition to cooperating to the utmost with the regular and special agencies of their respective communities could do much towards discouraging aimless migration in search of employment.

In a radio broadcast on December 9, 1930, Colonel Woods, pointing out the difficulties awaiting the unemployed who left their home localities without definite assurance of a job, said in part:

> "If a man can't find a job in his own community, it is natural to look somewhere else. In normal times he might have a chance. But now, that is not the case. . . .
>
> "The unemployed person should think twice before spending his money or energy in seeking a job away from his home community. It may be given as a general rule that the person without a job is better off where he is, in view of the way local authorities are handling their unemployment problems.
>
> "This Committee has a vast number of reports from Governors and mayors, welfare agencies and industries throughout

the country. In these reports we find repeated emphatic declarations that they are providing jobs of material relief for local residents first. In the interest of their own people they are logically giving only second thought to strangers."

On December 22, when Arizona, California and Florida reported that they were swamped by the influx of jobless men and women, the Committee through the press again urged that the unemployed stay in their own communities. The point was emphasized that localities had devised accurate means to differentiate between outsiders and residents, and that in order to make jobs and relief go as far as possible with local residents, were giving transients short notice to leave.

To assist communities in handling transients, the Committee, as noted, sent to state and local employment committees the pamphlet prepared by the Family Welfare Association of America — *Care of the Homeless in Unemployment Emergencies.* The Committee, moreover, devoted one number of its bulletin — *Community Plans and Actions* — to suggestions for caring for transients and the homeless and unemployed.

The bulletin, pointing out that passing transients from city to city had nothing to commend it, except superficial economy, stated that cities were increasingly adopting the policy of caring for the homeless where they were, recognizing such expenditures must be made for relief as a necessary by-product of the effort of the city or state to attract business through publicity. The bulletin recommended that the principles given below be followed in giving relief to transients:

"1. The care of transients is more logically a responsibility of the local government than of private relief agencies. Private relief funds are more easily raised for resident families than for transients. The administration of work with transients frequently involves lodging house, health department, hospitals, police powers and institutions, all of which may be more readily correlated on the initiative of a public official than on the initiative of a private agency. Even in communities which normally do not need extensive facilities for transients, an emergency need can frequently be more promptly and adequately met if the responsibility is assumed by the public authorities.

"2. A central registration bureau should be maintained at which all transients should be expected to register. Such a bureau should be equipped to interview all transients who apply for relief and to undertake as extensive inquiries about them as may be necessary to decide upon the appropriate service to be rendered them. This bureau should issue tickets entitling the holders to lodging and meals at any accredited lodging house in the city.

"3. Provision should be made for decent housing and nour-

ishing food, preferably at the same place, under competent administration. Existing lodging houses, which meet health and safety standards, should be used. If additional quarters are needed, they should be chosen with their adaptability to lodging house purposes in mind. At least two nourishing meals a day should be provided each lodger.

"4. The public authorities and the general committee on unemployment should discourage the giving of free meals and lodgings to any persons except those who present tickets issued by the Central Registration Bureau. In order to prevent suffering through unnecessary delay, lodging houses and organizations providing mass feeding should be permitted to issue tickets good for twenty-four hours to persons who apply direct to them. Such tickets should be approved by the Central Registration Bureau to make them valid after twenty-four hours. If the city's facilities are adequate and the Registration Bureau works promptly and efficiently, there should be no need of bread lines. The bread line may provide nourishing food to many in dire need of it, but as a method of relief it is usually both wasteful and inhumane.

"5. Non-residents whose residence elsewhere can be established should be returned to their own communities. The expense should be borne by the city where they apply for aid. This is usually the kindest treatment for the transient man or family and in the long run is cheaper than maintaining him at the expense of the community where application has been made for relief. In the city of Birmingham, Alabama, during the year ending September 30, 1930, 305 transient families applied for assistance. Of these 108 were returned to their legal residences or to relatives who agreed to support them. Unless legal residence elsewhere can be established or assurances of support from kindred are secured, transients should not be sent out of town. . . .

"6. Some effort should be made to meet individual needs of transients. Whenever possible some work should be provided. This may consist of assigned duties in connection with the lodging house, work in a wood yard or in some municipal department, such as parks.

"Medical treatment or hospital care may be necessary and should be provided whenever applied for.

"The vagrancy law can be invoked when necessary to deal with confirmed idlers. It should be used with the greatest caution in an unemployment emergency, however, or serious injustice will be done to men who are not vagrants in any sense of the word.

"The almshouse or other institutions may be used for those who should be cared for permanently.

"In addition to the use of these specific facilities there should be some provision for special consideration of the needs of individuals. Social treatment, efforts at rehabilitation, voca-

tional readjustment and the building of morale should be as definite a part of a community's work with transients as with resident families, although the sheer pressure of numbers will in many places prevent such work on a large scale. The staff of the lodging house or of the Central Registration Bureau should include social workers competent for such responsibilities.

"7. The program for dealing with transients should be given no more local publicity than is necessary to insure the effective cooperation of the community's agencies which deal with transients and to insure also effective cooperation between communities. Widespread discussion of plans for relief, especially in the press, will lure transients to any city. Every possible effort to reduce travel by transients should be made. At this point it may be repeated that the greatest inducement to travel by transients is not the lure of publicity but the policy of trying to get rid of non-residents."

RELIEF IN DROUGHT AND COAL MINING AREAS

The drought of the summer of 1930 which brought distress particularly to states bordering on the Potomac, Ohio, and the lower Mississippi Rivers, and to some area in Montana, Oklahoma and Texas, created an unemployment emergency in agricultural areas usually but little thus affected.[6]

On August 14, the President called a conference of the Governors of the most acutely affected states. As a result of the conclusions of the conference the President appointed a national committee comprising the heads of important Federal agencies under the chairmanship of the Secretary of Agriculture. The Governors in turn appointed state committees representative of the farmers, bankers, business men and the Red Cross; and subsidiary committees were established in most of the acutely affected communities. The American Red Cross established a preliminary fund of $5,000,000 for distress relief purposes and established agencies for its administration in the counties.

In administering drought relief, the Red Cross, as an organization whose field in peace times was disaster relief and not relief of distress growing out of economic conditions, followed the basic policy that drought relief was primarily the responsibility of each community. That national headquarters and branch offices might keep closely in touch with conditions throughout the entire drought affected areas, the regular field staff was increased. The Red Cross chapters in the larger centers, particularly in those where there were no family wel-

[6] In his testimony on January 6, 1931, before the Senate Committee on Appropriations, Judge John Barton Payne, Chairman of the American National Red Cross, stated that, based upon the loss of crops resulting from the drought, reduced freight rates were granted by the railroads upon certification of the Department of Agriculture in 1,016 counties in 21 states, up until November 20, 1930. These special rates apply in almost one-third of the 3,074 counties of the country.

fare organizations, were instructed to use their facilities not only for drought relief but for unemployment incident thereto. The $5,000,000 fund, made available by the national organization, was to supplement local effort by cash grant when the local problem assumed such proportions as to preclude adequate handling of local resources.

By the end of December the Red Cross had expended $849,965.49 for drought relief, of which $329,162.50 was for its seed program and $520,802.99 for food and other items, including donated supplies. Of the total expended $403,730.59 had come from local chapter funds and collections and $446,234.90 from the national organization.

In his Message to Congress on December 2, the President recommended that an appropriation be made to the Department of Agriculture "to be loaned for the purpose of seed and feed for animals," in order that the Government might meet its full obligation "toward our countrymen in distress through no fault of their own." The loans would be limited to a gross amount to any individual, and secured upon the crop. In connection with this recommendation the President expressed the belief that the "Red Cross can relieve the cases of individual distress by the sympathetic assistance of our people." [7]

On January 15, after a vigorous but unsuccessful effort on the part of the Senate to have funds made available for loans for food for farmers and their families as well as for seed and feed, a bill was passed appropriating $45,000,000 for drought relief loans. In the meantime, on January 10, the Red Cross launched a national campaign, which proved successful, to raise $10,000,000 for use in the drought affected areas. On February 14, 1931, a drought relief amendment to the Interior Department Appropriation Act was passed making $20,000,000 additional available for "farm rehabilitation." [8] Secretary Hyde, in promising a fair and sympathetic interpretation of the rehabilitation fund, stated:

> "That the major purpose of this additional legislation is, in effect, to restore the weakened credit situation and that when loans under any part of the amendment are made to those who have security indicated for that purpose, and for making the next crop, and for rehabilitation from drought, there could be no prohibition against the proceeds of such loans being used for food or other supplies if they were necessary to effect the purpose."

While drought relief legislation was being enacted, the President's Emergency Committee for Employment from personal observation of

[7] The Federal Farm Loan Board extended its credit facilities; and the Federal Loan Board gave financial assistance to all affected cooperatives.

[8] The Red Cross had previously refused to administer a Federal Fund of $25,000,000 for general relief purposes.

staff members and from information from other sources, became convinced that conditions of desperate distress existed in certain less organized areas, particularly in coal mining counties of Kentucky, West Virginia and southern Illinois. In many localities where for a long period coal mining had been at low ebb, the authorities had been quite unaware of the acuteness of the present situation where drought had wiped out subsistence gardens.

After a conference with President Hoover and Chairman Payne, of the Red Cross, Colonel Woods, as agreed, wrote to the latter, listing six counties, all in the drought area, where there were conditions of acute distress, particularly in the coal mining camps. While pointing out that drought was not the sole cause of distress, Colonel Woods indicated that conditions were emphatically worse because of it, and that as local resources, municipal, county, and private were practically exhausted, and as such state action as might be possible could not be taken without sufficient promptness, the Red Cross was the only agency for meeting distress existing in the counties specifically under discussion, and in other counties of the soft coal area either in, or adjacent to the drought area.

The Red Cross, while recognizing a rehabilitation program for the coal areas as outside its province, before the close of the month reported that it was contributing national funds to twenty-four counties in West Virginia. In this connection it was understood by the Committee:

> (1) that, funds were going to drought sufferers, but the local chapters were making no distinction between the individual who suffered entirely by drought and the individual who suffered also on account of depression in the mines, when the miner lived on some acreage.
>
> (2) that, in several sections, where there was distress and want which were not being adequately handled by local and state agencies, the Red Cross, without publicity, would render relief temporarily.
>
> (3) that, specifically, with reference to the Charleston and Clarksburg area, and possibly those of Fairmont and Morgantown, the Red Cross planned to put workers into these territories for approximately a two months' period, to assist local and state organizations in developing existing resources, coordinating social and welfare activities in such a manner as to enable these territories to handle their own problems. Further, that the Red Cross would put money into these sections for the same period, to relieve distress, during which time it was expected that local and state organizations would have been set up or reinforced to handle the problem, and
>
> (4) that the Committee undertook to contact immediately the state Committee on Employment, and through it, local

committees on employment, and such other social and relief organizations and agencies as there are in West Virginia, and urge these organizations to cooperate with the Red Cross representatives in exerting every effort to develop local resources to raise monies, and, otherwise, to set up and reinforce such agencies, public and private, local and state, as was necessary, to deal effectively with the existing situation.

At the same time the Committee was working with the Red Cross on the problems of relief it was keeping in close touch with the Department of Agriculture. When the farm rehabilitation amendment previously mentioned was passed, the Committee laid before the Secretary of Agriculture "certain considerations . . . as being necessary for the welfare of the farmer." After emphasizing the importance of loans for live stock, as provided in the act, the Committee indicated the need "of extending loan privileges to those not wholly engaged in production farming, that is, families that combine general farming with industrial work." The Committee further reported that in a number of counties "adjoining the officially defined drought area" conditions were very bad as a result of insufficient rainfall; and urged a liberal administration of the law in view of these conditions.

The Secretary of Agriculture, after considering the points urged by the Committee, indicated doubt as to the advisability of making loans to individuals not wholly engaged in productive farming, for such loans might not be repaid. In his opinion the best method of financing individuals of this class was for the Red Cross to make advances. With reference to conditions in the counties adjoining the officially defined drought area it was stated that the Department had received few inquiries about production loans; and believed that financing could be arranged without Federal loans.

As the administration of the act developed, the Department came to the conclusion that it could not, under the law, make loans even in small amounts to individuals whose normal business was mining. The Department did, however, agree to consider applications from individuals whose crop production in previous years had been as much as three acres.

The Committee, however, were convinced of the desirability of making loans available for the group who came between the three acres covered by the Department of Agriculture and the quarter acre provision made by the Red Cross, for the cultivation of garden plots would afford useful occupation for idle men, and might within a few months enable the families to provide essential food for themselves rather than to depend upon charity. In fact, it was the opinion of the Committee that unless measures were taken, there was danger of actual suffering.

Upon further urging, the Department, after agreeing to make loans available for one acre, decided to provide seeds rather than make the money available. After further consideration, however, the Department decided that it could not legally make distribution of garden seed on a loan basis, the only basis upon which it could act. Under the law it would have been necessary for each applicant for one package of seed to execute a note and mortgage on his crop, in some instances for loans as low as $1.50.

While urging upon the Department of Agriculture the advisability of reducing their acreage limit, the Committee was at the same time taking steps to have the Red Cross make provision for half an acre rather than a quarter. The Red Cross, in response to the suggestions of the Committee, indicated that it had not limited its garden seed program on the basis of either cost or acreage but on the advice of the Department of Agriculture and State agricultural services which had "assembled a package of seed best adapted to each area." The Red Cross further took the position that, having distributed in excess of half a million without a single suggestion of inadequacy, the quantity was satisfactory.

While working with the Department of Agriculture and the Red Cross, the Committee was in contact with coal mining companies, certain of which took steps to prepare ground for planting, and provided seed potatoes.

Also in the Spring of 1931, the Committee, cooperating with the Children's Bureau, which at its suggestion undertook a number of surveys of isolated communities in the bituminous coal fields and in worked-out lumber areas, approached the American Friends Service Committee, with the request that they would consider giving relief to children in the bituminous field during the winter of 1931–32. After "very serious consideration the Friends Committee decided to undertake the obligation, with the understanding, however, that their work would in no sense relieve local communities of the responsibility of assisting in the work of caring for those who need help." Private funds in the amount of $225,000 were procured to enable the Friends to carry on their activities.

In September 1931, the Friends initiated their child-feeding activities. In a report to Mr. Croxton on April 12, 1932, the Friends Committee stated that up to April 1, they had provided a total of approximately 1,300,000 meals to under-nourished school children of miners in the bituminous coal fields, and in addition 160,000 milk rations had been provided to pre-school children, and to nursing and expectant mothers. The report further stated that child feeding and other relief projects had been carried out in 563 communities in 38 counties of West Vir-

ginia, Kentucky, Pennsylvania, Illinois, Tennessee, and Maryland. As of April 1, 29,963 school children, 5,600 pre-school children, and 749 nursing and expectant mothers were being fed.

While taking measures to bring the American Friends Service Committee into the coal mining areas, the Committee was also in contact with members of the University of West Virginia with reference to the development of a program of family food production in connection with industrial employment. On April 14, there was a conference held in Washington under the auspices of the Committee attended by the following:

Mr. C. E. Lawall, Director of Mining Extension, W. Va. University
Mr. N. T. Frame, Director of Agricultural Extension, W. Va. University
Dean Fred Denton Fromme, College of Agriculture, W. Va. University
Dr. H. C. Ramsower, Director of Agricultural Extension, Ohio State University
Dr. W. R. Beattie, Senior Horticulturist, Bureau of Plant Industry, U. S. Dept. of Agriculture.

As a result of the meeting a plan was recommended as the next step in a permanent industrial program in which the cooperation of trained agricultural agencies was enlisted. While it was the opinion of the conferees that it was too late in the season to undertake an intensive demonstration involving spring planting, they unanimously urged that the Committee proceed at once with work which would greatly assist in determining a long time program; would increase to some extent family food production in 1930; and would encourage industry in efforts already begun. From the Rockefeller Foundation funds were procured for carrying on a demonstration in Kentucky, West Virginia, Ohio, Indiana, and Illinois; and for each State a director was selected by the State Director of Agricultural Extension to work under his direction.

SUBSISTENCE GARDENS AND FOOD CONSERVATION

Early in April 1931, the Committee took steps to encourage on a nation-wide basis the development of home gardens and outdoor beautification. Working with the Department of Agriculture, the Committee developed a program and issued two pamphlets, *Home Gardens for Employment and Food*, directed to emergency employment committees, service clubs, welfare organizations, and industrial workers; and *Spruce Up Your Garden* prepared by the Women's Division and directed to garden clubs and cooperating women's clubs.

After indicating in *Home Gardens for Employment and Food* that

such gardens provided both food for needy families and work for the unemployed the Committee pointed out emphatically:

> ". . . Non-profit-making gardens and parks, public and private, compete with no existing industry and do not aggravate the situation by adding to existing oversupply and overcapacity"; and that
>
> "Many American families are not in a position to share in that (national) surplus. Lacking employment to provide earning power, they must be fed either by charity or through home gardens. To enable thousands of unemployed citizens to achieve a measure of independence, it is essential that gardens be established while the emergency lasts, strictly to yield food for home consumption and not for sale on an already oversupplied market. In other words, this should be purely a temporary measure which will not create a permanent expansion to compete with the American farmer."[9]

In a news release issued on May 7, the Committee reported gratifying progress for the garden program. Certain railroads were assisting their laid-off or part-time employees, while one was cooperating with the Red Cross and local agencies in helping farmers in the drought area to raise food for their families. Coal mine operators in West Virginia were likewise assisting their employees. Moreover, aid on a community basis was being furnished in many localities by employment committees, welfare organizations, service clubs, garden clubs, women's clubs, and chambers of commerce.

As a logical development from the emergency garden program the Committee undertook a program to encourage the canning of surplus fruits and vegetables to provide food for the unemployed over the winter. In no sense of the word, however, was the campaign "intended to produce canned goods for sale that might compete on an already over-supplied commercial market, but only to provide an emergency supply for those without income to buy it."

In promoting the campaign on a nationwide basis the Committee had the active cooperation of the Department of Agriculture, county home demonstration agents, teachers of home economics and the General Federation of Women's Clubs.

In a letter sent to state and local emergency employment and relief organizations in August, the following program was suggested:

> "1. Arrange how-to-do-it canning demonstrations in communities likely to need such help, and particularly those communities where emergency gardens have been grown by the unemployed.

[9] In May, the Committee issued a third bulletin, *Community Plans and Actions* No. 7, describing the Godman Guild Community Gardens of Columbus, Ohio, as a permanent food garden project applied to emergency needs.

"The services of your County Home Demonstration Agency, or some of her outstanding club members, may be enlisted. Home economics teachers, or homemakers who are successful canners, may give valuable aid.

"2. Arrange for group canning under the supervision of a competent person wherever group gardening has been done. Group work will stimulate interest, save time for supervisor, and insure more sanitary conditions for work as a rule.

"Attention is called to the recent announcement of Farmers Bulletin No. 1,471, *Canning Fruit and Vegetables at Home* (Revised, June, 1931). Also the following Farmers Bulletins from the U. S. Department of Agriculture, No. 984, *Drying of Fruits and Vegetables;* No. 900, *Homemade Fruit Butters;* No. 1,075, *Unfermented Grape Juice;* No. 1,264, *Unfermented Apple Juice;* No. 1,424, *Vinegar Making;* No. 879, *Methods of Storing Foods at Home,* and No. 1,438, *Fermented Pickles.*

"3. Devise ways of making containers and other needed equipment available for those unable to buy. These may either be purchased outright or, where steam pressure canners are needed, they may either be rented, or borrowed from members of the community who already own them.

"4. Suggest to those whose circumstances enable them to help others that they can from their surplus fruits and vegetables an extra quantity to give to those near at hand who are unable to buy adequate food, wherever arrangements can be made to get the canned goods into the hands of those who need them. Such contributions may be made direct, as from neighbor to neighbor, or through local agencies organized for distribution of relief.

"5. Encourage the local press to support the program editorially and to inform the public of its purposes through the news column."

Following the announcement of the food conservation program a number of news releases were given out indicating measures being taken by many local organizations; and in September, a bulletin prepared by the Committee was issued by the President's Organization for Unemployment Relief describing the food conservation activities in such cities as Birmingham, Alabama; Columbus, Ohio; Muncie, Indiana; Houston, Texas; and in the mining communities of West Virginia.

RELIEF FOR WHITE-COLLAR UNEMPLOYED

In order to focus attention on the problem of relief to the white-collar unemployed without publicity and to secure a more definite local responsibility, the Committee suggested to the Family Welfare Association of America, the Y.M.C.A., the Y.W.C.A., the National Catholic Welfare Conference, and the Bureau of Jewish Social Re-

search, that "they urge such alertness and activity upon their membership."

Prompt response was received from practically all of these organizations and the Committee was assured that the suggestions would be carried out. In order that the Y.M.C.A. and the Y.W.C.A. might have additional funds to undertake such an extension of their normal work, the Association of Community Chests and Councils undertook to urge local chests to make appropriation of additional funds to the Associations.

In approaching the problem of relief to the white-collar unemployed through the national groups previously mentioned, the Committee felt that such a program would give better results than to localize the responsibility in some one organization like the chamber of commerce, for it was believed that relief of this character would be effectively done only by organizations which maintained service programs for men and women. Such organizations undertaking relief to the white-collar unemployed as an extension of their normal responsibility would avoid the many difficulties which might arise as a result of a different approach to the problem.

PREPARATIONS FOR THE WINTER OF 1931–32

In the spring of 1931, when it was apparent to the Committee that emergency conditions would obtain through the coming winter, a program for meeting the anticipated situation was developed. The Committee, as an emergency organization, did not consider it advisable for it to develop new administrative machinery, which being hastily organized would lack solidarity, and which would be subject to the seemingly inevitable delays of government agencies. Therefore, while continuing to give primary attention to the promotion of employment, both in private employment and in necessary public and semi-public works, the Committee turned to certain organizations prominent in the welfare field; the Family Welfare Association of America, the Russell Sage Foundation, the National Association of Travelers' Aid Societies, the Association of Public Welfare Officials, and the Association of Community Chests and Councils.

On May 1, 1931, in a letter to the President of the Association of Community Chests and Councils, Mr. Croxton, who, as vice-chairman, had succeeded Colonel Woods as active head of the Committee, asked that the Association take the responsibility for the following tasks:

> "1. Getting information as to the present status of relief needs and funds to meet the same in cities of 25,000 and over. This information should cover both public and private charitable funds.

"2. Using all possible resources of leadership, both of your own organization and of the local community, to secure maximum results in the way of needed relief both from charitable campaigns and the public appropriations in those cities which have community chests.

"3. Promoting adequate organization for these same purposes in non-chest cities of 25,000 and over, also in smaller cities where unusually acute needs become evident to the President's Emergency Committee for Employment.

"4. Developing, through national channels, widespread understanding of the necessity for using all available local resources, public and private, for absolutely essential relief."

The Association accepted the request of the Committee to cooperate; and through the Committee arrangements were made whereby the Rockefeller Foundation made available a fund of $75,000 to enable it to carry on the proposed program and to engage a staff of some ten field men.

Speaking at the annual meeting of the American Association of Community Chests and Councils in Minneapolis on June 13, Mr. Croxton said in part:

"Unless the raising of funds for relief is simple and soundly adequate, and unless their distribution and application are speedy, direct, and justly apportioned to legitimate needs, they become cold, mechanical, wasteful doles, tending more to magnify than to reduce the condition they should relieve. . . .

"The Committee's intimate contacts with states and hundreds of local communities last fall, winter, and spring, verify the sound and tested principles that the best and most effective relief of unemployment distress is through locally-provided funds, locally administered. . . .

"A most consistently surprising and gratifying factor in chest campaigns last fall and this spring was the extraordinary liberality of the employed workers in business and industry. Their giving revealed how keenly their daily contact with their former workers made them sense the demand. But a large part of these increases in total contributions would have been impossible in many instances without the cooperation of the well-to-do and wealthy.

"Continued and increased liberality is incumbent on the wealthy and the well-to-do. In the effort to protect those who are least able to bear the effects of depression, it also follows that the funds should come from those who are best able to assist.

"The contribution of relief funds will not be made without special effort on the part of many contributors. Some corporations, previously liberal contributors, are in red ink. Individ-

uals whose incomes are dependent on fixed investments, in many cases, have received reduced dividends. Wage earners and salary earners, in many instances are working part time and receiving less. The contributions of municipalities frequently will have to be made in the faces of delinquent taxes and depleted resources. . . .

"As you go forward, you will be working simultaneously with a great many other forces which are seeking to hasten recovery. While private agencies have a task to meet, public officials of communities also have a program to plan and carry out. The degree to which present needs are being met out of taxes is full of meaning. In planning for this fall and winter, tax resources must be reckoned upon. A study of the proportion of relief which has come from taxes in the various cities shows that in the first three months of 1931, 81 large cities spent $31,000,000 for relief. Seventy-one per cent came from taxes."

To assist communities in administering their relief activities to the best advantage by making available to them practical experience gained during the winter of 1930–31, the Committee turned to the Family Welfare Association of America. In a letter to the executive secretary, Mr. Croxton requested the Association to undertake four functions, which were as follows:

"(1) To secure current data from a selected group of family welfare agencies, through which we may be kept informed as to weekly or bi-weekly variations in unemployment relief and the intake of unemployment cases during the year;

"(2) To gather and summarize family case work studies showing the effects of unemployment, and to initiate such new studies as may seem advisable along these lines. Among the questions upon which we believe such studies might throw light are: The deterioration of family morale because of lack of work; the effect of cessation of relief to families of the unemployed; the extent and the manner in which families exhaust their own resources in the period between loss of job and the first application for relief, etc.

"(3) To make a study of the values and dangers of the various types of 'made' or 'special' work which have been developed in the past year in connection with or as a substitute for relief.[10]

"(4) To make a study of community efforts for coordination of the care of homeless men, which we feel to be one of the difficult problems confronting many communities." [11]

[10] As a result of the study, *Set-Up of a Program of Work Relief*, by Joanna C. Colcord, was published.

[11] Based on the study, *Community Planning for Homeless Men*, by Robert S. Wilson, was published.

The Association agreed to undertake the suggested activities, and was able to secure special gifts amounting to approximately $60,000 for its work. Somewhat later, the Family Welfare Association added to its cooperative undertakings the preparation of a guidance report on the administration of relief "with particular reference to the rapid development, which may occur, of many public relief undertakings with the possibility of an unwise expenditure of relief funds; and to equip itself to give advice upon the administration of relief to smaller communities where organized family care had not been developed."

In view of the fact that local tax funds in almost all localities carried a much larger share of the relief load than was generally appreciated, and as the work of public officials in administering such funds was highly important, the Committee turned to the American Association of Public Welfare Officials for cooperation along certain specific lines:

> "1. Promotion by State Welfare Departments of the organization of resources throughout their states, particularly in less populous localities for the purpose of relieving distress.
>
> "2. Promotion by State Welfare Departments and other public welfare organizations of such procedure in administering relief that the self-respect of those aided may be maintained."

The Spelman Fund of New York made available the sum of $40,000 and the Association undertook the program suggested.

As one of the most difficult problems that local relief organizations, particularly in the South, had to face in the winter was the transient family, the President's Emergency Committee for Employment asked the cooperation of the National Association of Travelers' Aid Society "in the preparation of a brief report on practical methods for discouraging this movement of families, and of handling the problems in general."

In accordance with a request of the Committee, the Association prepared a guidance report — *A Community Plan for Service to Transients* — which was published by the President's Organization on Unemployment Relief. The report was based on data collected from approximately 100 cities, including Florida and Arizona, where the transient problem was particularly acute in the winter of 1930–31.

AMERICAN ASSOCIATION OF PERSONAL FINANCE COMPANIES

In a letter to Colonel Woods on February 27, 1931, W. Frank Persons, Executive Vice-President of the American Association of Personal Finance Companies, indicated the cooperation which his organization was ready to undertake with local charitable organizations. The Association included companies which were located in twenty-four states

which had enacted the Uniform Small Loan Law or equivalent legislation, and which served families by making available to them, under regulatory laws, loans in amounts not exceeding $300 repayable in installments. The Association, Mr. Persons stated, was concerned with promotion of an enlightened code of trade practices, with cooperation with state supervisory officials and with social agencies, and with upholding of broad principles of social importance affecting industry; and was on record as opposed to such transactions on the part of any licensed personal finance companies as might cause unwarrantable distress to its customers. Determined to prevent the possibility of such distress, four member corporations operating 530 personal finance offices in twenty-four states had pledged to the Association to afford relief along certain lines; and had severally made the following standing offer to every charitable organization in each city in which they respectively maintained operating offices:

> "If any licensed personal finance company, not a member of this Association, in any city in which an operating office of one of these four member corporations is located, should foreclose upon and remove the household furniture of any borrower who is without resources except funds from charitable sources, one of these corporations will take over the debit (if not in excess of $300) and reinstate such family in possession of its furniture. All charitable agencies are urged to notify the central office of that one of these corporations which maintains a local office, at once, in case of any such foreclosure and removal, so that the household goods may immediately be restored by taking over the debt.
>
> "Until such time as the family can be restored to its home or the furniture be recovered, charities are requested to put such families into suitable quarters at the expense of that one of these corporations which has been notified as above requested."

The four companies, moreover, made the following additional offer:

> "When any wage earner has resumed work after a period of unemployment and any licensed personal finance company, not a member of this Association, to which he is indebted refuses to accept a reasonable plan of prorating his income to pay his debts, but insists upon enforcing a garnishment, any one of these corporations locally engaged in business will take over the debt (if not in excess of $300) and relieve the garnishment, upon notice given to its central office as above stated.
>
> "In any such case such corporation will carry the loan without legal action of any kind, cooperating with other creditors and the family in solving the family's financial difficulties.
>
> "This offer shall be applicable to transactions occurring at any time within twelve months from the date hereof.

> "The foregoing offer is by its terms made applicable only to transactions of licensed personal finance companies not members of this Association. It cannot be anticipated that any member will be a party to a transaction of the kind to which the offer in terms applies, but if it should do so, the offer is to be taken to include any such transactions."

Mr. Persons, in presenting the offer of the American Association of Personal Finance Companies to Colonel Woods, earnestly requested that there be no publication or public reference to this offer.

As the Family Welfare Association of America seemed the organization best fitted to take advantage of the plan, the Committee, with the consent of the Association of Personal Finance Companies, transmitted the letter to the Family Welfare Association, with the understanding that the two Associations would work out the best plan of transmitting the offer to local members of the Family Welfare Association.[12]

[12] For confidential use of the Family Welfare Association and the American Association of Personal Finance Companies, a booklet was prepared listing the local offices of the Association of Finance Companies and a list of Family Welfare Associations in the states having Uniform Small Loan Laws.

CHAPTER VIII

Activities of the Women's Division

With women doing, as estimated, over 80 per cent of the nation's retail buying; with some ten million women normally gainfully employed; and with approximately thirty million managing households, the personal and household expenditures of women, always vital in keeping the wheels of business turning, became increasingly important in the emergency when construction and the manufacture of producers' goods had fallen well below normal.

In order that the women might do what they could to stimulate employment, and to ameliorate conditions of distress, the Women's Division was organized to act as a clearing house of information, and to cooperate with national, state and local agencies in meeting the unemployment emergency. Through the radio, the press and numerous addresses, through bulletins and pamphlets, and through personal contact and correspondence, the division offered suggestions for sprucing-up the home, for "wise spending," for maintaining food standards, for establishing employment offices, for making studies of unemployment among women, for planting home gardens, and for meeting specific situations.

In initiating its activities, the Women's Division sent letters to the presidents of some 200 women's organizations, asking for cooperation. The following letter, which was addressed to the President of the Parent-Teachers' Association, is typical:

> "President Hoover's Emergency Committee for Employment asks for the cooperation of your association in helping to meet the employment problem in this country. The participation of your association is part of a coordinated program which should help in fighting human suffering and alleviating the present situation. Will you ask the presidents of the constituent clubs which make up your association to cooperate with you and with us in this battle against human suffering in the following ways:
>
> "1. That they send out to their members letters urging them to consider the problem as their own problem.
>
> "2. That they urge their members to get their families together to plan what they can do to further employment; first, by deciding how much the family budget can spare to help directly or indirectly in supporting local community relief and employment efforts; and, second, by determining how the family budget can be spent most wisely at this time.

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"3. That their members make a survey of their homes to find out what things there may be needed to make the home more efficient, and the amount available to supply such needs.

"4. That they cooperate either as individuals or as local clubs with employment agencies, community chests, or other local community effort that is now dealing with the problem.

"May we also have your cooperation in making available to this Committee, which will act as a clearing house for the entire country, such material as may indicate what successful steps have been undertaken by your association or any of its constituent member clubs in coping with the present problem. Such information will be most useful to other women's clubs and the women of the country generally in using their efforts along the lines of helpful accomplishment.

"We should be happy to confer with you or some authorized representative of your group here in Washington or in New York if you feel such a conference to be desirable in order to make the suggested program immediate and effective. Only in such ways as these can the efforts of the millions of women in America be concentrated and crystallized in order to help solve this employment situation which affects vitally every man, woman and child in America."

On November 14, in a radio talk, Dr. Lillian M. Gilbreth spoke as follows on what women could do to aid employment conditions:

"Last week Colonel Woods, talking over the radio, questioned the Mayors and City Managers of the country as to what was being done to solve the employment problem. Tonight I am questioning the women of this country. There are about sixty million females in these United States and we do approximately 85 per cent of the buying, and there is not one of us who cannot help in some way.

"The first question is: 'Are you, temporarily, one of the group who should save or of the group who should spend?' We can make the transfer of those in the first group to the second more quickly if everyone in the second will ask herself, 'What can *I* do to see that more people are employed?' First, have you made a survey of your own home to see what things need to be done there? If you need help in making such a survey we shall soon be able to send you a pamphlet on *Care and Repair of the Home,* prepared by the Bureau of Standards. Have you made a survey of renovation or addition to furnishings and equipment in your home? There will soon be available a pamphlet on this subject, which is being prepared by the Bureau of Home Economics. Do you need someone to talk with about all this? Every home economics woman in the colleges, schools, industries and home centers is ready and glad to help in this emergency. If these have not been directly approached and urged

to make their information available, it is your job to see that this is done. Has your library collected all the books which will be helpful toward wise budgetting and spending? Has every teacher, group leader and lecturer on Home Management, Nutrition, Clothing, etc., shifted that part of her course which is needed now so that it is being presented? All of these will help you to know what size and type income make spending now advisable and what wise spending is.

"What is being done in your community to insure relief? Who is responsible that no one shall lack adequate housing and nutrition? Are the local papers cooperating by emphasizing the number of cubic feet of air every person needs to breathe and the essentials to an adequate diet? Does your community know each day what foods are plentiful and cheap, which foods if eaten will help certain industries? Is the same sort of information available concerning clothing and household equipment and everything else one uses and buys? Have you urged your stores to include in their advertising some information on why certain things are cheap? Have you urged them not to discharge workers and to explain to you how you can help in this? Have you urged manufacturers not to discharge workers and to explain to you how you can help there?

"Who is looking out for your babies and pre-school children, and have you supported the institutions which do this to meet an expanded need? Perhaps this has been done through your Community Chest. Perhaps there is need for supplementing through a fund which will enable them to pay for needed repair work or a larger staff. Who is looking out for the school children, making sure that everyone has food, clothing and books, preferably through an opportunity to have the money earned by the family to supply these? Is there adequate provision for the young women who are not living at home, and are you sure that not one is lacking in the essentials for a self-respecting life? Who is looking out for the older women?

"Is there an adequate employment bureau which clears every opportunity for a job through to the person who most needs that job among the group of applicants who are capable of doing it?

"If you will answer these questions and act on the result of your answers, there can be no doubt that the local situations everywhere will be so handled that the employment problem will be solved. If you need any advice we can give, write to us at the Commerce Building in Washington. If you have any advice that will help us, write here also.

"One word as to maintaining morale — everything that can be done to get facts and put these facts at the disposal of the country is being done. Everything that can be done to stimulate suggestions, evaluate these and act upon them, if they prove good, is being done. There is plenty of money, plenty of food, and relief will be provided. The Government, the industries

and individuals all are being informed of the employment problem and urged to share in its solution. There is no cause for fear or hysteria. There is every cause for sympathetic cooperative action."

RADIO TALKS

During January and February 1931, under the auspices of the Committee, a number of prominent women gave a series of radio talks. The speakers, leaders in the fields of business, labor, clubs, welfare, religion, and the professions, described various cooperative measures by which women were meeting "a great challenge and a grave responsibility." The speakers and excerpts from their talks are given below:

Beginning the series on January 6, Mrs. Arthur Woods, speaking on the part of women in meeting the emergency, said:

> "It is from the homes all over the country that the President's Committee feels the attack which will bring the most immediate result against unemployment can be launched. Public works, even with red tape cut ruthlessly away, are, at best, slow means of reaching the trouble, but work on and in the millions of American homes will immediately put hundreds of thousands of unemployed people back at their trades; and though the jobs may be short ones, they are steps in the right direction and will lead to others. Furthermore, wherever work is done on your homes, your property will be improved and its value will be maintained. . . ."

Mrs. Vernon Kellogg, speaking on "Women Take Another Step" said in part:

> "*Then* it was: Save a spoonful of food; find 50 million bushels of wheat. *Now* it is, so eat and clothe ourselves that we will pull the whole nation out of an abnormal, perilous position, back into a normal one — with our first duty that of making each purchase bear a constructive relationship to this job of getting the country back to the safe road. . . .
>
> "The Bureau of Home Economics stands as guide at our elbow. Its local staffs are ready to answer our questions.
>
> "Is your town paper carrying its weekly column of suggestions?
>
> "If not, your first step is to see that the editor begins at once to run the 'Market Basket' articles."

On January 14, Miss Florence Thorne, Assistant to the President of the American Federation of Labor, discussing a part of organized labor in the emergency said:

> "In this situation of rising unemployment the American Federation of Labor pledged its support to an effort to check the forces of business depression, and word was sent along the ranks of Labor to hold the line of achievement until times

were better. A cooperating army of 2,000 local unions existing throughout our industrial communities, set themselves to the task of meeting unemployment and trying to find a way out of it. . . .

"This problem of insecurity of job is one that is foremost in the minds of thirty million wage earners at all times. These men and women employed as wage earners put their whole business investment into their jobs. They give their time, intelligence, skill and cooperation in turning out the products of industry. Without Labor, manufacturing plants with their machinery and raw materials, would stand idle — a profitless investment. The investment wage earners make in production is just as essential as the investment which the stockholders and management make, but they have not as yet been so successful in securing recognition of their essential partnership in production or assured returns on their investment. . . .

"Labor takes hope from the fact that wages have been better sustained in this depression than in 1921. The President's White House conferences, following the stock market crash, were directly influential in stimulating employers to maintain wage earners consuming power by maintaining rates and keeping workers on the payroll. The records of the Department of Labor show that only 5 per cent of manufacturers cut wages in the first ten months of 1930, while 82 per cent cut wages in a similar period in 1921. Although part time has reduced incomes for many, there is more job security. This experience demonstrates that the unemployment hazard to workers can be reduced when industry realizes its obligations to its employees."

Miss Mary E. Dillon, President of the Brooklyn Borough Gas Company, describing stabilization of employment by her company, said in part:

"More than a year ago, our own Company, among others, resolved that it would bend every effort not to add to unemployment and it would go a step further and try to decrease it.

"That means that no employee would be discharged or laid off without review by the chief executive and that a program of construction and maintenance and sales had to be formulated and followed."

Mrs. John F. Sippel, President of the General Federation of Women's Clubs, in her talk "Helping Where You Can," gave examples of what club women were doing in the emergency:

"In the Board meeting which has just closed, in which were women from every state, the reports gave us the knowledge that the unemployment situation and the economic depression, while affecting every part of the country, are evidenced differently in the many sections. In one part it is largely the result of drought and floods; in another, it has to do with

the industrial situation; in yet another, it is the matter of seasonal occupation or emergency jobs. . . ."

Miss Marion McClench, President of the National Federation of Business and Professional Women's Clubs, speaking on women and the unemployment problem and emphasizing wise spending said in part:

> "We often hear the remark that women who work are one cause of the present condition. As an answer to that may I call to your attention these facts: The recent Census tells us that in this country there are approximately 10,000,000 women gainfully employed. A very conservative estimate of the individual earning capacity of these women is about a thousand dollars a year, making a stupendous total earned by women each year of ten billions of dollars. If all of these women should suddenly stop working and this amount of money be withdrawn from business, can you see what a serious situation would be created? How many more factories would have to stop running? How many stores would close? How many more vacant houses and apartments would there be?
>
> "The situation would not make that of the men any better, because, although it might create jobs for a few men, it would also put on their shoulders an additional financial burden. These ten million women must eat and must be clothed and must have shelter. And the men would have to be responsible for their support. And not only the support of these women who presumably have ceased to work, but that of their dependents also, must come out of the pay envelope of the men. No, the answer to this is not fewer jobs for women, but more jobs."

Mrs. Robert E. Speer, President of the National Board of the Y.W.C.A., said in part:

> "Every effort has been made to find jobs — to fit the worker to the job — to help those for whom no job could be found to take a better one when times grow brighter. Working with the churches and all other agencies, we have tried to remove the weight of fear that has made so large a part of the problem. Loan funds, food at cost, wholesome recreation, free use of beauty parlors, a comfortable cheerful place in which to spend the unwelcome leisure, and above all a sense of real friendship, of a bulwark between one's lonely, tired, discouraged self, and the bleak and bitter winds of adversity. These have been among the services the Association has tried to offer."

Doctor Lillian M. Gilbreth, speaking on women and industry, again emphasizing the importance of wise spending as a stimulus to employment, said in part:

"The President's Emergency Committee for Employment has issued two pamphlets which give answers to these questions. They are not long or technical. One is called *A Survey of Unemployment Relief in Industry*, and tells what can be done at once in an industrial plant, by spreading the available work; that is, keeping the workers at the established wage rate but on shorter hours; by new construction and manufacture for stock; by repair and maintenance programs.

"The other pamphlet, called an *Outline of Industrial Policies and Practices* tells of long-time action to stabilize employment. It takes up adequate forecasting and planning, getting to know the market for one's product, and finding out the amount of materials and number of machines and men needed to supply this market. It discusses standardizing one's product to prevent waste, and standardizing work methods which make for better work-places, tools and machines, for routing, and the like; hence, less effort and fatigue. The pamphlet stresses also the need of better and broader training for workers to make it easier for them to go from one job to another. . . ."

Miss Anne Morgan, President of the American Women's Association, said in part:

"We are now making a survey of our membership to secure the very vital information so far lacking from any source, of the extent to which the depression is affecting the salaried woman and the woman independently engaged in her own business. . . .

"We hope from this survey to learn the number unemployed and the causes for their unemployment, how many have suffered salary reductions, what types of women and what types of work particularly have been affected. One very important subject — too little appreciated — we are especially anxious to know more about. This concerns the business woman and her dependents. . . ."

Mrs. Jerome J. Hanauer, of the Young Women's Hebrew Association, said in part:

"As early as last May, we began to notice the great influx of unemployed girls and we immediately strengthened our equipment and staff so that we were ready to meet the present conditions. We began then, through questionnaires, to make efforts to find the girls on whom the family depended for support, and we are helping these first. . . .

"I feel that our greatest constructive contribution in the present situation has been our effort in keeping the spirit of play in the lives of our girls. This we have done by creating additional recreational facilities. We have urged our girls to join and attend social clubs, come to dances, play bridge and use our swimming pool and gymnasium. We have instituted

Sunday afternoon teas with elaborate programs of interesting and entertaining variety. We make possible, when we can, through the generosity of friends and cooperating agencies, free tickets to concerts and theatres. And yet, despite the fact that these activities and opportunities for recreation costing them nothing, it has taken salesmanship of a persistent and forceful kind to make the girls respond."

Miss Agnes G. Regan, Executive Secretary of the National Council of Catholic Women and Assistant Director of the National Catholic School of Social Service, describing in her talk the steps taken by Catholic organizations in the emergency and the cooperation of these organizations with the Committee said:

"In November, 1930, the Administrative Committee of the National Catholic Welfare Conference met in Washington. At this meeting a resolution was passed asking all the Departments of the National Catholic Welfare Conference, including its thousands of affiliated lay organizations of men and women, to take an active and immediate interest in seeking to relieve and improve the condition of the unemployed; to cooperate with President Hoover's Emergency Committee for Employment and with local official bodies working for a betterment of this situation. . . .

"It has not been our custom to gather statistical reports concerning such work as this. It means the expenditure of time and money at a time when these are so needed to carry on the work at hand. However, a very limited survey in order to make possible the broadcast for the Committee, reveals splendid accomplishment."

Mrs. Nicholas Brady, describing in her talk what Girl Scouts and Brownies had done in the emergency said in part:

"The National Girl Scout office takes no direct part in the employment relief and welfare work. It functions only through the girls and their leaders. It encourages them to give all the help they can, but always with the proviso that the girls do so under the direction of their leaders and that the leaders in turn work through agencies better equipped than they are to judge the need.

"For the first time in Girl Scout history the national office this year is permitting Girl Scouts to wear their uniforms on any occasion. It asks that they wear it complete and with as much attention to correct details as if they were going to a troop meeting. This concession was made as one possible direct contribution to the family budget.

"For many Girl Scouts are today members of families which are themselves suffering from the unemployment crisis. . . . When the Girl Scout under those circumstances brings cheer into the gloomy home, when she makes a worried father laugh

or lightens the tasks of a saddened mother, then she is fulfilling the purpose of this organization which is to produce kindly, courageous and happy girls."

Mrs. Alice M. Dickson, of the Women's Division, in the course of her talk in which she instanced what various parts of the country were doing in the emergency said in part:

> "The Women's Division is operating through the executive officers of practically every national woman's organization. The appeals for cooperation have been enthusiastically received by the presidents of the organization and to the chairwomen of their national committees. These state groups have had the close cooperation of the city, town and village club women and the work organized under their leadership has gone forward to real accomplishments." [1]

On March 23, Mrs. Herbert Hoover gave a radio talk under the auspices of the Committee, in which she received the report of the activities of the Girl Scouts, and made reference to the part which girls in general had played in the emergency. Mrs. Hoover's talk was in part as follows:

> "Peggy Starr and Lois Kuhn of the Girl Scouts, I am very glad that as your Honorary President it has fallen to my lot to receive from you this report of the activities of the Girl Scouts during this period of drought and unemployment and consequent want. . . .
>
> "As you say, one of the most loyally followed of our laws is that 'a Girl Scout's duty is to be useful and to help other people at all times.' Girl Scouts try, always, to find out what is the greatest need around them, and then to take their full share of responsibility in overcoming that difficulty or improving those adverse conditions. And I may say in passing, that when you have grown accustomed to doing this when you are young, it will be easy for you to see and meet your larger responsibilities on a larger scale when you are older.
>
> "Again, another law is that 'a Girl Scout is a friend to all, and a sister to every other Girl Scout.' So when, now, an unusually large proportion of our Scout sisters and brothers, and of the friends we do not know, are in dire distress for lack of such absolute necessities as food, and warmth, and clothing, and medicine, Girl Scouts, as naturally as their elders, plan what they may do to help.
>
> "Because of a devastating drought that has fallen upon the just and the industrious almost as hard as upon the unjust and the lazy, there is great want of these necessities over larger areas in our country. And over nearly all of our country there is a considerable sprinkling of our population,

[1] Amelia Earhart also gave a talk in the series, but no transcript was filed with the Committee.

even of the very friends nearby whom we know, and of our Girl Scout sisters or perhaps of the very sisters of our own blood, who are suffering because there is not enough work wanted done in the world just now to keep busy all who want to work. In the actual drought relief there was little that the Girl Scouts could do. That is where their fathers, and some of the mothers, could and do still act, in helping the farmers through the coming year until another crop is in. And the United States Department of Agriculture was empowered to furnish special help for this purpose.

"For assistance in the matter of widely scattered unemployment, the President created a special Emergency Committee for Employment. The work of this committee, and particularly of the Women's Division thereof, we have heard described over the radio on recent Tuesday afternoons. Mrs. Alice Dickson gave an excellent summary of its accomplishments. I remember that one of her closing sentences was: 'The women of this country have been superb in their individual efforts to meet the need of the hour — each from her own door step — from thirty million homes. They have rallied to the President's call for their support, each for her own community. They are the volunteers on whom we depend.' . . .

"And as the Girl Scouts have done, so have worked the members of the 4-H Clubs, the Girl Reserves, the Busy Bees of Utah, the Campfire Girls, and girls in school and church and neighborhood groups without number. So, too, have their older sisters in their affiliations — in college groups, in the Young Women's Christian Association, in the Young Women's Hebrew Association, in Catholic Welfare Clubs — and in others. And in the larger, wiser, more experienced ways of their added years, so have worked the women of the country — from the General Federation of Women's Clubs, from the Parent-Teachers' Associations, from the Business and Professional Women's Clubs, from the churches — from innumerable formal and informal groups of national and of very local significance. . . .

"You who are listening in at the other end of this wonderful newly discovered thing called the radio, each and every one of you has been doing what you could to help in your own neighborhood — you have given additional work where you could — you have postponed the burdens of full payment of debts, of rent, of loans, or mortgages, of those whom Fate and not their own shortcomings have handicapped. You have helped tactfully with food, with coal, with clothing, those of your friends who were facing a more strenuous period than you were yourself, as well as those strangers a mile away whom formerly you knew not even of. You have made it possible that children might continue in school, sufficiently fed and clothed — that the girl in Commercial High School may finish her course in stenography and bookkeeping, so that she may find a paying position and help solve her own family's prob-

lems next year — that the boy may continue in medical school in the career for which he has such a passion, instead of having to take a permanent place in his uncle's store, for which he has no aptitude.

"Then, when you have finished a survey of your own community, and have done all that seems vital there, you strike its balance, you older ones of much experience and stable organizations, to learn whether after everyone in your community is cared for, you still have not exhausted your resources, but have something left with which to help the less fortunate elsewhere — or whether you find yourselves at the end of your pocketbooks and flour bins, and still see many shortly to suffer for food or warmth unless outside succor comes. Then it is that the value of the widely flung national organizations is seen — the ones who can take from the still-supplied outstretched-hand of the giving on one side, and place its largess in the empty hand outstretched-for-receiving, on the other side.

"And there is where the American Red Cross comes in — that organization to which we *all* belong — that power which comes to the aid of the community in a drought area — when the community has done its best, but still cannot cope with the circumstances. The Red Cross acts between communities, between sections, between organizations, as we individuals act between individuals — helping the strong in this place to care for the weak in that.

"There is one factor about this whole episode of national emergency relief that stirs me deeply. At all times there are widely scattered cases of emergency distress in all parts of our country. Our cities and towns, on the whole, are prepared to assist those individuals or families.

"But country conditions have been more difficult to manage; county and townships have frequently not been as successful in arranging for this as have towns — and the problem, of course, is more difficult. My heart turns to these families. How can we reach them in their need?

"I have heard very much in past weeks, yes, even through past months, of the work the American women have been doing, of the splendid spirit they have been showing and encouraging. I am only too glad to be the one asked to express this general appreciation to all the women and girls in the country who have been participating generously. . . .

"And through all these organizations, the appreciation goes out in the last analysis, to their individual members — and not even forgetting those many individuals who have given, or who have worked, so liberally, according to their ability, even though they did not happen to be members of any established organization of aid.

"From the President, for work you have shared as members of the Women's Division of The President's Emergency for

Employment, from the officials of that Committee, from those you have aided, even from those yet to be aided, I am delivering to you messages of heart-felt gratitude."

WISE SPENDING AND FOLLOWING YOUR DOLLAR

When the Committee was first organized, careful consideration was given to the matter of Buy-Now campaigns. Leading economists were found to differ as to the value of such procedure, and the Committee, considering this difference of opinion, was unwilling to place itself in a position of approving a course of action based on prediction. The Committee was further of the opinion that the question of Buy-Now, whether for the manufacturer, the jobber, the retailer or the consumer, was primarily a problem for the various groups and individuals to determine for themselves, and that an endorsement of such movements by the Committee would add to the economic argument a patriotic appeal which might or might not be wise.

With reference, however, to wise buying so-called, the Committee was of the opinion that there was nothing economically unsound about such procedure if it involved buying at the time goods which, under normal circumstances, would be bought.

In one of the talks in the series of radio addresses given by prominent women under the auspices of the Committee, Miss Marion McClench, President of the National Federation of Business and Professional Women's Clubs, pointing out the need for wise spending said:

> "During war time we went without many luxuries and comforts in order that others might have necessities; that was a war-time emergency. Now we are in the midst of the exact opposite — a peace-time emergency — and the great cry is not to give up and go without, but to have and to acquire; not to stop buying, but to continue to buy to the limit of our legitimate needs and ability; and so to create markets and to keep factory wheels turning; not to do without in order to give to someone else, but to acquire and let someone else earn — to spend wisely, but to spend, that someone else in turn may have money with which to buy.
>
> ". . . Let me urge women to see to it that they continue to buy; that so far as lies within their power the money which has been given into their charge may be spent for the necessities of their families and that this money is not given into their keeping to be hoarded, but into their custody to be used with much care, that the spending shall be wise and generous."

Developing the idea of spending wisely, the Women's Division urged women to "follow your dollar," and "to spend wisely where you know from your own first-hand investigation every effort is being made to keep people at work under proper conditions."

In a radio talk on April 28, 1931, which was read before the Biennial Convention of the General Federation of Women's Clubs, Dr. Gilbreth said in part as follows:

> "It is my pleasure and privilege at this time to appeal to the women of the country, but especially to the members of the General Federation of Women's Clubs through whose courtesy I speak today, to undertake a new phase of helping to solve the employment problem. Mrs. Sippel, the President of the Federation, has endorsed this project and gave up part of her own time over the radio that it might be presented to you, who are attending the Federation meetings in spirit, at the same time that it is presented to your representatives in Arizona.
>
> "The project has to do with following your dollar through your purchase to the business and industry to which it goes. You have budgeted your money; you have spent wisely to furnish jobs; you have responded to the Committee's appeals to 'Spruce Up Your Home' and 'Spruce Up Your Garden.' By so doing, you have found jobs which might be done by people who needed work and have cleared through your local employment bureaus to see that the work actually did go where it could be most helpful. This has led many of you to study your local situation — to cooperate not only in relief work but in establishing, strengthening or maintaining employment bureaus. This is fine work — it must go on. Relief agencies must be supported. Organization techniques must be bettered. This is the time to evaluate what has been done and to plan for the future. Funds must be available for relief work. The setup must be such as social service experts will approve. The staff should be composed of people who need the work. It is the time to check up on and strengthen employment service and make sure that every possible opportunity is made available to the person who needs it most and can use it best.
>
> "Along with spending her money, time and energy on relief and employment work directly, every woman is giving of what she has, indirectly, through the buying which she does. . . .
>
> "During the past months, certain retail stores and distribution agencies and certain factories and industries have done a fine job in trying to stabilize employment. They have kept as large a number as possible of their employees on the pay roll and have worked out methods by which it was feasible to do this. These methods have been described in several pamphlets written for and available through the President's Emergency Committee for Employment."

After describing the scope of the Committee's pamphlets — *Survey of Unemployment Relief in Industry, Outline of Industrial Policies and Practices in Time of Reduced Operation and Employment, In-*

dustrial Plans for the Regularization of Employment, and *Unemployment — Industry Seeks a Solution,* Dr. Gilbreth continued:

"The latest pamphlet in this field is *Policies and Practices for the Stabilization of Employment in Retail Establishments.* This has been prepared specially for the consumer group and rushed through the press and down to Phoenix in order that it might be presented to the women of the country today.

"I am here to urge you, the women of the country to follow your dollar back, first to the retail store to which it most often goes directly. Let us discuss the methods that progressive retailers are using to stabilize employment. If the stores in your community are doing these, or similar things, it means work for men and women, it means that they can maintain an adequate standard of living. It means that they will have money enough to be purchasers, also.

"I shall now present to you different suggestions for stabilizing employment in the retail field which you might suggest to your local retailers as having proved serviceable.

"*First,* Make an outline of basic procedure which urges that every company survey its individual and company needs thoroughly before taking action, in order that deliberation and wisdom may be a part of whatever is done.

"*Second,* Consult the representatives of workers concerned not only to make sure that the worker gets a fair deal, but to interest him in what is going on and make him see that the employer, too, faces a difficult situation and is often forced to do what he does do, in cutting down on work or reducing the organization, much against his will.

"*Third,* Form a definite policy and state it very clearly in order that there may be no misunderstandings between management and men or between the company and the public.

"*Fourth,* Concentrate authority to see that whatever is done is carried through consistently and in a unified fashion and to the satisfaction of everybody.

"*Fifth,* Keep accurate and complete records of procedure not only as a check of efficiency of the present, but as a help for future guidance.

"*And last,* Cooperate in the exchange of information with all who can make it serviceable.

"Do you not feel that we have here not only wise policies, but an effective technique of putting them through? And surely the women of the country have a right to ask that retail establishments try these not only sporadically but seriously and on a long-time basis. . . .

"I am urging you today not only to take an interest in this problem in a general way, but to read and study what has been written, and to make some inquiries as to what

is being done in your community. I am making a much more specific and practical request: In the hands of every member at Phoenix is a copy of the pamphlet describing what might be done in the retail field. I am asking you who are listening over the radio to send to the President's Emergency Committee for Employment, Department of Commerce Building, Washington, D. C., for a copy of this pamphlet on retailing for your own use, to read every word of it and to check through the stores where you do your own buying to find out what is being done there to stabilize employment and to make work more satisfactory. Follow your dollar! Spend wisely where you know from your own first-hand investigation every effort is being made to keep people at work and under proper conditions. . . .

"You will remember that I mentioned before a pamphlet dealing with industrial policies and having a check on permanent policies for stabilization of earnings and employment. Let me list for you the six things there urged.

"*First,* the need for forecasting and planning. We urge industry to do this. It means that those for whom industry buys must do some planning, too, and must have some idea what they want, in order that industry may plan what to make. Retailers immediately say, 'But the customer changes her mind — fashions change. We are forced to hand-to-mouth buying.' Now fashion and change have their place and industry must learn to accustom itself to a more rapid turnover of goods in stores, more rapid changes in goods demanded, more hand-to-mouth buying.

"*Second,* broader training of new employees, apprentices and special groups within personnel, as in the retail field this means that factory men and women may become greater assets to themselves and their employers through more knowledge and the possibility of shifting from one job to another. It means better vocational training and vocational guidance.

"*Third,* standardization of products again calls for a willingness on the part of the consumer not to demand such a variety and constant change as she otherwise might.

"*Fourth,* guaranteed employment means support of the consumer swung back of industries which give this guarantee to their workers, and refusing to be swung away from a reliable manufacturer whose policies are known, to another whose policies are unknown or well known to be less progressive and humanitarian.

"*Fifth,* the elastic workday or week as a means of maintaining wage rates and helping the worker to return to a more adequate wage and the employer to pay this wage at the earliest possible moment. This involves study of leisure as well as work, and training for the wise use of leisure.

"*And sixth,* unemployment insurance as a most progres-

sive means of insuring stability in the life of the worker and removing the awful fear of unemployment which is so shattering to the morale of employer and employee alike.

"Stability affects the home as well as industry, and the life of every one of us. From first-hand experience in both industry and the home, over many years, I can testify that the problems of the two are inseparable. If we work at either we help at the other.

"This is a critical time in our industrial development. We must think clearly; we must feel deeply; we must act wisely. We must stand back of progressive business and industry. Don't make a black list – make a white list. Place on it the names of the firms in your community who are doing a good job at stabilization. It will encourage the others who are struggling to follow their example, but have not seen their way to do so. Make it an honor to be among those who are trying to stabilize employment, and an assurance of community support. . . ."

SPRUCING UP THE HOME

As previously noted, one of the first general suggestions made by the Committee for providing employment was the so-called "Spruce-up Campaign." [2] Through the radio and the press the share that women could take in the campaign was repeatedly pointed out.

GARDENS

With the coming of spring, 1931, the Women's Division called attention to the possibilities which gardens offer as a source of work for the unemployed and as a source of food for those faced with a shortage.

A pamphlet, *Spruce Up Your Garden,* was prepared by the Women's Division and distributed to garden clubs and other cooperating clubs. The pamphlet contained suggestions for community and home garden improvements, for home vegetable gardens in rural districts, a check list of things to be done, and a selected list of Farm Bulletins and Farm Bulletin Leaflets obtainable from the Department of Agriculture.

A letter addressed to garden clubs and garden-minded people accompanied the pamphlets and emphasized the possibilities of gardens in the emergency in part as follows:

"This question of helping can be divided into two parts; the first is the community problem of beautification, outdoor conditions, gardens, etc. The other is in stressing the need for small home gardens everywhere in rural districts when the food budget is small. Get in touch with your county agent; work with him in every way possible to urge farmers to start small vegetable gardens at the farmstead. The Government

[2] The Women's Division took an active part in the preparation of the pamphlet – *Suggestions for Possible Repairs and Improvements in the House and Its Equipment.*

is glad to help in this by giving bulletins, and their agricultural workers will be glad to work with individuals or clubs in furthering these projects. Plan a campaign of community buying in your neighborhood so that seeds may be bought in wholesale lots done up in small packages, to be given to those who need them or sold at wholesale prices. . . .

"If you live in a region which has been afflicted, offer to supervise such gardens, solicit funds for seeds. Start a campaign for gardens as an emergency measure. Get in touch with your state agricultural college. Through their home demonstration and boys' and girls' clubs have canning demonstrations.

"Almost every part of our country would benefit from better gardens and the unemployed would find employment. Your garden club can help no matter what its size. The club as a club can sponsor it. Still another plan would be to have each member pledge a definite amount weekly to carry on such work. If each one in an organization having even 15 members would pledge $1 per week, this would mean steady work for one man. At this rate a club of 30 would thus be providing for the employment of two men, such men to work under the club's direction either in members' gardens or on civic improvements, fitting any and all plans in with the work of any local committees."

MAINTENANCE OF STANDARDS OF NUTRITION

With experience clearly indicating that in times of distress food standards were lowered, and that while adults suffered thereby, children might well be handicapped for life, the Committee undertook to assist families with curtailed incomes in the wise choice and purchase of nutritious foods and in the maintenance of balanced diets.[3]

The Home Economics Bureau of the Department of Agriculture, cooperating with the Women's Division, issued a series of weekly low-cost food guides — *The Market Basket* — which reached over 4,000 newspapers. While it was recognized that it was difficult to make the material in *The Market Basket* fit every section of the country, each release was prepared for general use as it stood.

In a letter addressed to "The Editor," accompanying the first *Market Basket*, Dr. Gilbreth suggested that the newspapers cooperate with the Committee by establishing a food service column supplementing the

[3] On November 3, the Committee published a news release giving the message of Miss Grace Abbott, Chief of the Children's Bureau to the Women's Division. The release was in part as follows:

"Our experience in the last depression showed that it was the children who suffered most. With little or no money to buy food the children's milk supply was cut down and in many cases cut off entirely. As a result thousands of children were undernourished and their health permanently injured by the shortage or lack of proper food. The same thing is happening today and national economy makes it imperative to come to the relief of the children before it is too late."

material in *The Market Basket* by news from local markets. For the newspapers who had no food service it was stated that home economics workers from the state colleges would cooperate and that county extension workers could be called upon.[4]

REPORTS OF ACTIVITIES OF WOMEN'S ORGANIZATIONS

During February and March 1931, the Women's Division issued a number of press releases based on reports submitted by women's organizations in various states. Specific reports of the experience of women's clubs in providing jobs, food, clothing, shelter, and medical care, and in sustaining morale through contact and interest in individual cases were cited.

For example, in a release issued on February 17, invoicing of the kitchen cabinet as developed by the Federation of Women's Clubs in Southern California was described. The idea of a recipe file had afforded many unemployed office girls two or three days' work a week. A second release on February 20, discussed the one-family plan developed in a small town in Iowa. The plan was described as operating "between the financially able family and a family in which there is unemployment"; the able family taking the entire responsibility of giving immediate relief and locating jobs for unemployed bread winners in one family. In a third release the "Block Mother" plan developed in Blackfoot, Idaho, was described. The town was divided into sections, one mother on each street being assigned to search out all families in which there were unemployed members and to take "the full responsibility of carrying through plans for the immediate relief of those under her care."

EMPLOYMENT SURVEYS

That the Committee might have data upon employment conditions among women gainfully employed, two organizations — the American Women's Association and the National Federation of Business and Professional Women's Clubs — cooperated with the Women's Division to make surveys of their membership. The American Women's Association, the largest organized group of business and professional women in New York City, made a survey of its membership of over 4,000 business and professional women to determine what occupations had been most affected by the depression and to furnish information of value to organizations trying to assist certain occupational groups. The National Federation of Business and Professional Women's Clubs undertook a survey of its membership of 60,000 to determine the effects of the age factor on business and professional women's careers.

[4] The Atlantic and Pacific Tea Company, cooperating with the Committee, arranged to have the nutrition releases rewritten and presented as a part of its radio program.

EMPLOYMENT OF MARRIED WOMEN

Numerous suggestions were made to the Committee to the effect that employed married women should be dismissed. Under the law there was no way in which the Federal Government at the time could discriminate against married women, even if such discrimination were desirable. The Committee took the position that dismissal of married women as such did not commend itself as sound from a business point of view or desirable from a social point of view.

In the case of applicants for employment the Committee took the position that, other things being equal, need should be taken into consideration by the employer, whether public or private employment was in question.

CHAPTER IX

Other Activities

A National System of Employment Offices

In 1921, the President's Conference on Unemployment went on record in favor of the establishment of a permanent system of employment offices. It was the opinion of the Conference that in such a system the state should be the operating unit of the employment offices and that the Federal Government, while not operating local offices or doing placement work, should perform various functions for the purpose of bringing about coordination.

On the basis of the recommendations of the Conference and other expert advice, Senator Wagner, in 1930, introduced a bill, S. 3060, to provide "for the establishment of a national employment system." This bill was passed by the Senate and reported favorably by the Committee on the Judiciary of the House.

Under the terms of the bill, there would be created in the Department of Labor, a bureau known as the United States Employment Service. The bureau would promote and develop a national system of employment offices, would assist in establishing and maintaining systems of public employment offices "in the several states and political subdivisions thereof in which there shall be located a veterans' employment service," and would assist in coordinating the public employment offices throughout the country.

For carrying out the provisions of the bill, $1,500,000 would be appropriated for the fiscal year ending June 30, 1931, and $4,000,000 for each fiscal year 1932, 1933, and 1934. Seventy-five percentum of the amounts appropriated would be apportioned among the several states in the proportion which their population bore to the total population of the United States, "to be available for the purpose of establishing and maintaining systems of public offices." No payment, however, would be made in any year until an equal sum had been appropriated or otherwise made available "by the state, or by any agency thereof, including appropriations made by local subdivisions . . . except that the amounts so appropriated by the state shall not be less than twenty-five percentum of the apportionment according to the population — and in no event less than $5,000."

The bill further provided "that any state desiring to receive the benefits of this act would through its agency designated to cooperate,

submit for approval detailed plans for carrying out the provisions of the act." Each cooperating state agency would make such reports concerning its operations and expenditures as prescribed by the Director General of the United States Employment Service, who in turn would ascertain "whether the system of public employment offices maintained in each state is conducted in accordance with the rules and regulations and the standards of efficiency" prescribed by him in accordance with the provision of the bill.

The Committee, believing that the existing United States Employment Service was inadequate to the needs of the times, proposed to the President with reference to his Message of December 2, that he recommend action by Congress for the establishment of a nation-wide system of public employment offices "set up on sound principles with due regard to the diversity of functions" as an aid in meeting unemployment. The Committee stated that the Wagner bill attempted to meet this need and in its main principles should be accepted. The Committee, however, pointed out a serious defect in the bill in that it made Federal moneys available to the states "without adequate safeguards against waste and misuse." To assure that the proposed national employment service should be completely separated from considerations of political expediency, it was suggested that the bill be amended to provide for a Federal supervising council, representative of employers, employees and the general public and for similar regional, state and local councils charged with a large measure of responsibility for the selection of personnel.

The President was strongly opposed to the Federal aid feature of the Wagner bill and did not mention the employment service bill in his Message. The Committee then called in experts in an endeavor to work out a formula of agreement between the President and Senator Wagner. While the changes made were satisfactory to the Senator, the President did not alter his position against Federal aid.

In late December, acting on the suggestion of the President, Secretary of Labor Doak undertook to draft substitute legislation for the Wagner bill. The measures prepared by the Secretary were based upon the idea "that all genuine improvement must grow out of improved administration, and that there should not be general Federal grants-in-aid to the states for the support of state-operated employment systems except as might be worked out in individual cases." While the President's Committee agreed with the idea that large improvement in the National Employment Service could be effected by better Federal administration, the majority of the Committee favored Federal grants, for such support (1) would involve a large expansion of support for a national employment service "which is one of the essential elements

in any program for dealing with unemployment"; (2) would result in an elevation of the standards of efficiency of the state bureaus by making Federal support contingent upon meeting certain minimum standards; (3) would make possible uniform methods in keeping records and reporting statistics; and (4) would coordinate the 48 units while leaving operating responsibility decentralized among the states.

In answer to the objection that a limit to endless demands for Federal grants-in-aid must somewhere be reached, it was indicated that unemployment was a fundamental problem; and that the development of a unified public employment system was a basic element in any program of attack. Particularly would this be true if a system of unemployment insurance should eventually be adopted.

On February 23, after rejecting the substitute legislation prepared by the Secretary of Labor, at the instance of the President, the House, which was strongly Republican, by *vive voce* vote, passed the Wagner bill. On February 24, the Senate accepting minor amendments made by the House, likewise passed the bill.

Once the bill was passed by Congress, the Committee recommended that the President sign the measure. In a memorandum dated March 5, it was pointed out that technological changes had drastically altered the demands for labor in many fields so that "increasingly serious and heretofore non-existent problems of placement have arisen in periods of great industrial activity, high wages and general prosperity." While it was granted that the Wagner bill was "in many respects vaguely and loosely drawn," the Committee was of the opinion that "as an initial legislative authorization for an experiment to be given character by the executive," it could be made the basis for satisfactory first steps. The memorandum further pointed out that there were "only eleven Federal employment offices organized primarily to deal with migratory farm labor which, because of the increasing mechanization of farming, no longer migrates," and that there were only 170 state and municipal employment offices in the United States, varying from one in each of eleven states to seventeen in Illinois.

The President, however, decided not to sign the Wagner bill, and on March 7, after the adjournment of Congress issued the following statement, accompanied by reports from the Attorney General and the Secretary of Labor:

> "I have given earnest study to the so-called Wagner bill for improvement of public employment agencies, in an effort to find a method to make it of use in the present employment situation. I find upon study, however, that if I would prevent a serious blow to labor during this crisis, I should not approve the bill.

"I have repeatedly urged a proper extension of public employment agencies, but this bill, unfortunately, abolishes the whole of the present well-developed Federal Employment Service, and proposes after certain requirements are complied with, to set up an entirely new plan by subsidies to the states from the Federal Treasury.

"And even were there no other objections to the plan, it cannot be made effective for many months or even years. It is not only changing horses while crossing a stream but the other horse would not arrive for many months. This situation alone required legislation be deferred, as it will not help in emergency but will do great damage.

"The fundamental questions involved also require more consideration. This bill proposes, as I have said, to destroy the Federal Employment Service in the Department of Labor, which has developed out of many years of experience, and to substitute for it 48 practically independent agencies, each under state control, the Federal Government paying for them up to 50 per cent and based not upon economic need of the particular state but upon mathematical ratio to population.

"On the other hand, the existing Federal Employment Service is today finding places of employment for men and women at the rate of 1,300,000 per annum. It cooperates and coordinates with the service already established by some 30 states. It applies its energies to interstate movements, and, being a mobile service, it concentrates upon the areas in need.

"Beyond this, however, the present Federal Service has special divisions devoted to the planting and harvest movement in agriculture and a special organization for veterans. There is no provision for the continuation of these two very important special services under the new plan, and the interstate quality of the Federal Service is destroyed. In any event, the bill required effective action by the legislatures and governors of the various states at a minimum time requiring so long a period for its establishment as to be of no purpose in this emergency. And there is, therefore, ample time to consider the whole of the questions involved.

"There is no financial loss to labor in allowing this bill to lapse. While the bill provides for $1,500,000 expenditure over the next 15 or 16 months, one-half of it would be absorbed in relieving one-half the present expenditures of the states without any additional service on their part. On the other hand, the present Federal Service has available over the next 15 or 16 months nearly $1,000,000 for the conduct of its agencies, which are being rapidly expanded through the emergency appropriations.

"I am asking the Secretary of Labor to cooperate with the various interested organizations to draft a plan for presentation to the next session of Congress which will avoid the difficulties presented by this bill. . . ."

In a statement issued on March 8, Senator Wagner asserted:

> "Both the President and his Attorney General seized upon a sentence of the new bill which reads: 'The employment service now existing in the Department of Labor is hereby abolished.' They would have the public believe that instead of creating an employment service the purpose of my bill was to destroy it. That is, of course, absurd. . . . The new service can go into operation the identical second the old service ceases. Had the Attorney General read the bill carefully he would have noticed that arrangements are made for immediate operation, and that provision is made for a two-year period of adjustment from the present system to the new system. . . ." [1]
>
> "Nor is it true that the veteran service and the agricultural service would have to be abolished. There is ample authority in the bill for the continuation of both.
>
> "Nor is there any justification for the President's statement that the states would cut their own appropriations in half when they received Federal aid. There is, instead, every reason to expect that the states would double their services to the unemployed.
>
> "The President says that the fundamental question involved requires more consideration. He does not tell us what is the fundamental question. To me it seems that it is this: Does this country require a nation-wide well-coordinated employment service efficiently and fairly guiding the man to the job? That fundamental question has been debated for a decade. It was answered in the affirmative by Mr. Hoover's own conference in 1921. It was answered in the affirmative . . . by all who, from experience and training, have a right to speak on the subject. Mr. Hoover alone occupies the negative position.
>
> "Now that Congress is adjourned and it is no longer possible to over-ride his veto, Mr. Hoover nullifies the work of years. In the same breath he praises the existing service and announces that he has requested the Secretary of Labor to prepare a new plan. Apparently, he has forgotten that Mr. Doak's new plan was overwhelmingly rejected by Congress.
>
> "The theme of Mr. Hoover's veto is to be found in his words 'there is therefore ample time' to reconsider the whole question. These words are becoming characteristic of the administration's policy of persistent postponement and procrastination. For three years in and out of season I have kept this proposal before the country, exposing it to the fullest investigation, discussion and debate. It has won the support of labor leaders, industrialists, business men and all students of the subject.

[1] On April 25, in a radio broadcast, defending his bill, Senator Wagner stated: "It is common knowledge that the members of Mr. Hoover's own Emergency Committee, headed by Colonel Woods, endorsed the bill and urged the President to sign it."

"The relationship which is established under the bill between the states and the Federal Government is in line with the President's often expressed views that local initiative and responsibility be conserved and strengthened, and that where necessary the Federal Government should not displace but supplement and encourage local action by facilitating co-operation between states.

"This principle is particularly pertinent to the management of employment offices which must at one and the same time be acutely responsive to local conditions and in rhythm with a nation-wide economy which knows no state boundaries. Apparently, however, three years is not enough time within which to persuade the President that the very ideas he is supposed to have stood for are valid.

"The signing of the bill would have brought into service a bigger, better and more amply financed organization for both the wage earner and employer. The President has made that impossible. He has failed every man who is out pounding the pavements in search of work."

On March 9, in an editorial, "Another Veto," *The New York Times* commented upon the President's action as follows:

"No one need question the sincerity of President Hoover's expressed regret that he felt compelled to withhold approval from Senator Wagner's employment bill. Some will sneeringly remark that he could not bring himself to sign a measure introduced and pressed to enactment by a Democratic Senator. But he had previously signed another of Senator Wagner's bills, and would have been glad to sign this one, as he states, had he not found serious difficulties in the way of making it effective. One reason was that it provided for intimate co-operation, and a sharing of expense, between the Federal Service which was to be established and the various state agencies already in existence or to be created. This would have meant a delay of many months in making the bill operative. Meanwhile, according to one of its unfortunate provisions, 'the employment service now existing in the Department of Labor is hereby abolished.' That would leave, at least temporarily, a void unfilled, and would cripple a Federal agency which, whatever may be said of it, has been extending its activities and enlarging its usefulness in a way of which it would be a pity to make an end, especially in this period of depression with so many men out of work and looking for it.

"The President does not in the least challenge the principle of the Wagner bill. His great fear is that it could not be made to work. Mr. Hoover hopes that a new measure may be drafted for submission to the next Congress which will remove the objections which he finds to the present one, and which will receive the endorsement and cooperation of all the organizations interested. Senator Wagner, while naturally disappointed at the failure of his bill to become law, is not a man to let

> personal pique stand in the way of doing everything within his power to bring about a satisfactory plan as soon as it can be drafted and laid before Congress."

On March 12, the President announced that he had appointed a Special Assistant to Secretary Doak in charge of Federal Employment Service to administer the emergency fund of $500,000 appropriated by Congress. On April 18, it was announced that there would be seven special divisions of the Service, each under the direction of a coordinating superintendent; and that there would likewise be a director each for the Veterans' Service and the Farm Service. There were further to be forty-nine state directors, one for each state and the District of Columbia, who were "to direct the work of the representative states and to cooperate with state agencies and to work in conjunction with the United States Employment Service." Furthermore it was stated that a committee was being assembled "to make a thorough study of the problem of technological employment and a survey of the general employment situation throughout the country with a view of affording the greatest opportunities for employment."

WAGE MAINTENANCE

On November 21, 1929, President Hoover held conferences with business and labor leaders. From the business leaders he received assurances that they would not initiate any movement for wage reductions; and from labor leaders, that no movements beyond those then in negotiation would be initiated for wage increases. Commenting on the assurances then given, the President in his Message on December 2, 1930, said:

> "In a large sense these undertakings have been adhered to and we have not witnessed the usual reductions of wages which have always heretofore marked depressions. The index of union wage scales shows them to be today fully up to the level of any of the previous three years. In consequence the buying power of the country has been much larger than would otherwise have been the case. Of equal importance, the Nation has had unusual peace in industry and freedom from the public disorder which has characterized previous depressions."

The President's Emergency Committee for Employment, while not taking an active part in measures for maintaining industrial wage rates as being outside the scope of its activities, followed the general principle enunciated by the President. In numerous public utterances of the Committee, attention was called to the fact that employers in general had sought to avoid wholesale lay-offs of employees and sharp wage reductions. The Committee's principal direct activities with reference to wage maintenance were in connection with the execution of Federal contracts.

On December 23, 1930, the President announced that the policy of the Federal Government would be to insist that contractors on government work should pay not less than the prevailing wages in their various districts, both on existing contracts and those hereinafter let.

In the early spring, instances were brought to the attention of the Committee wherein it was alleged that prevailing wages were not being paid on Federal projects. It was recognized that if the allegations were true, the Federal Government might become the spear head of a general and widespread movement to reduce wages. As a means of meeting the situation the Committee suggested to the Secretary of Labor that the Bureau of Labor Statistics make a brief survey of Federal projects to determine the wage being paid for various kinds of labor thereon; and that with reference to contracts to be let, the wage for various types of labor be determined prior to the letting of the contract in order to insure maintenance of a going wage on Federal construction projects, and to avoid difficulties incident to competitive bidding without full knowledge in this particular.

After considering the suggestion the Secretary of Labor explained that he could not very well establish the prevailing wage at the time contracts were made; for, as the contracts in some cases ran from three to five years, the contractor would be placed under a handicap. Instead of making the suggested survey to determine if prevailing wages were being paid on Federal projects, it was agreed that specific cases of violation of the Federal policy would be referred to the Conciliator of the Department of Labor.

EMPLOYMENT OF LOCAL LABOR

During the course of its activities the Committee was repeatedly requested to urge the Federal departments to insist upon the employment of local labor on Federal projects. The Committee was of the opinion that every possible effort should be made to employ local labor on such projects, and favored cooperation between contractors and local employment bureaus in order that work might be given to heads of families most in need of it. Under the terms of the law, however, it was impossible to require contractors to employ local labor.

It developed later, however, that the government departments did reach understandings with contractors to the effect that they would use local labor insofar as possible, and would import only key workers and types of labor which could not be obtained locally.

BACK-TO-SCHOOL PROGRAM

In the early spring of 1931, the Committee initiated a program to encourage students who would graduate shortly to continue in school

for another year.[2] It was recognized that under existing business conditions industry would be unable to absorb those graduates who normally would find ready employment, and that there was consequently in prospect for thousands a period of idleness which would dull enthusiasm and in many cases lead to permanent impairment for any employment.[3]

In formulating its program the Committee cooperated with the United States Office of Education, the Federal Board of Vocational Education, the Children's Bureau, with such organizations as the National Education Association, the National Congress of Parents and Teachers, the National Catholic Welfare Conference, the National League of Women Voters, and the American Federation of Labor, with State departments of Education, with churches, and with service clubs.

Cooperating with the Committee, the National Education Association in its *Journal* issued a statement "To the graduates of high schools and colleges and to their parents and teachers — The authorities who are studying our far-reaching problems of unemployment recommend that all forces join hands to continue 1931 high school and college graduates in school for another year when conditions will be more favorable for their absorption into the occupational life of America. In this recommendation the officers of the National Education Association most earnestly join."

Early in August members of the Committee met in conference with the representatives of the National Education Association, the National Congress of Parents and Teachers, the National Catholic Welfare Conference, the American Federation of Labor and the Federal Bureaus mentioned above. A news release following the meeting stated that "a united effort of practically each national organization and agency was launched . . . to work out plans for encouraging and helping young people to continue their education. . . ."

The release further pointed out that young men and women were especially handicapped during the emergency in that "they found themselves competing with heads of families, who properly were being favored by most employers and with others of considerable experience."

In the news release were also indicated the objectives of the conference, which were as follows:

> "1. To take advantage of the present period of unemployment and part-time employment by encouraging the greatest

[2] It was estimated that approximately 600,000 students would be graduating from the high schools and colleges of the country, and that a total of some 2,000,000 would be leaving school.

[3] On April 5, a news release was issued indicating measures taken in many communities to assist unemployed men and women to find new opportunities for work "through an adapted or increased education" as provided by Opportunity schools, Continuation schools, Vocational schools, and Trade schools.

possible utilization of opportunities for preparation for future positions and for the enrichment of American life.

"2. To keep all children under 16 years of age in school in this time of surplus labor and increasing demands of industry for skill and judgment.

"3. To encourage undergraduates and members of 1931 high school and college graduating classes to remain in school.

"4. To urge that increasing effort be made by schools and institutions of learning for guidance programs that will direct young people not only into fields of usefulness but into fields where their services will be in demand."

The release went on to state further that the conference would encourage school authorities and legislative bodies to maintain adequate school facilities and that an appeal would be made "to each local community to use all possible resources to encourage and help undergraduates of secondary schools and colleges to continue their training this fall."

When the President's Organization for Unemployment Relief absorbed the activities of the Committee, the Back-to-School program was continued. Under date of August 23 a report was issued based on reports from forty states with reference to activities to encourage and assist students to continue their education.

Also, in August letters were sent to some 20,000 school superintendents urging them to make a friendly round-up of students and stressing the possibilities of student loans.

Early in September, William Green, president of the American Federation of Labor, Dr. Willis A. Sutton, superintendent of schools of Atlanta, Dr. William J. Cooper, United States Commissioner of Education and Morris E. Leeds, president of Leeds and Northrup, participated in a series of radio talks urging young people to remain in school. Furthermore, at the same time Protestant, Catholic, and Jewish organizations "pledged their cooperation to the President's Organization for Unemployment Relief in the nation-wide Back-to-School movement."

While the success of a movement of this type can not be accurately measured, it may be interesting to note that statistics prepared by the Federal Office of Education indicated that in January 1932, 324,815 more students were enrolled in high schools than in the previous year and that enrollment in vocational courses had increased more than 60,000.

FEDERAL COUNCIL OF CHURCHES OF CHRIST IN AMERICA

To stimulate and coordinate the efforts of the Protestant churches of the country in their cooperation with the program of the Committee for united action in each community, the Federal Council of Churches

of Christ in America issued press releases to the lay and religious press, took steps to have its twenty-seven member organizations promote local interest in meeting the emergency; and arranged a special conference of executive secretaries of city and state councils to exchange experiences and to stimulate efforts. A member of the President's Committee addressed the annual meeting of the executive committee.

The possibilities of forming a national inter-religious committee of Protestants, Catholics and Jews were explored by the Council on its own initiative. In view of the fact that it was found that the three groups were actively engaged in relief through their respective organizations and were working in full agreement, it was decided that a national committee was unnecessary.

UNEMPLOYMENT AMONG NEGROES

As unemployment increased the tendency was for negro workers to be released more rapidly than white workers. To keep the Committee informed as to unemployment conditions among their race, the National Urban League appointed a liaison officer to cooperate with the Committee. The Federal Council of Churches also took steps through its Commission on Race Relations to see that negroes and other racial groups were accorded equitable treatment in the distribution of jobs and relief.

REGIONAL ROUND-TABLE CONFERENCES ON STABILIZATION OF EMPLOYMENT

On February 2 and 3, 1931, members of the Committee met in Chicago in a conference called by Fred C. Croxton, regional adviser, with representatives of Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Kentucky, West Virginia, Pennsylvania, and Iowa. The purpose of the conference was not to discuss "the immediate acute industrial conditions" but to devote its attention "to the more important steps which it is believed will assist in bringing about greater stabilization of employment; and to make it possible for representatives from the several states to gain a somewhat clearer conception of the best methods of approaching the problems involved in each particular state."

During the course of the meeting the group discussed such subjects as public works and public works reserves, current information relative to employment and unemployment and stabilization of employment.

A number of resolutions were adopted as follows:

1. Recommend to the different permanent commissions that they study the question of unemployment insurance plans, both private industry and legislative plans, with the expectation that in the future they may become a live issue.
2. Recommend that states and local governments plan their

necessary public works on a long-term basis with a view to accelerating it during periods of depression.

3. Recommend to the several states the thorough handling of their state employing services, to make them into effective public institutions that will function as a part of the regular business machinery of the states and its cities.

4. That there be established in the several states economic councils or planning boards concerned mainly with the initiation and development of programs for the better stabilization of employment.

5. That this meeting record its interest in the establishment of a national economic council or planning board, preferably on a non-government basis for the coordination of the work of state and local councils and the development and initiation of national programs.

PUBLIC RELATIONS SECTION

In general it may be said that the Public Relations Section handled the technical details of the Committee's publicity activities. Through the section, contacts with publicity agencies were made; releases, bulletins and pamphlets prepared for publication, and distributed; and mailing lists maintained.

The initial work of the section was directed by E. L. Bernays, public relations counselor, a member of the Committee. As the activities of the Committee expanded, a professional staff consisting of some seven individuals was furnished by the John Price Jones Company; and paid from funds available to Colonel Woods from the Spelman Fund. In May when Colonel Woods was succeeded by Mr. Croxton as active head of the Committee, the professional staff of the section was reduced to two members whose salaries were paid by the Committee.

The news releases of the Committee were made immediately available to approximately 125 individual newspapers, and in addition were distributed nationally by the various news services. Important stories were sent directly to the editors of some 250 leading papers throughout the country. Furthermore, articles, releases, and pamphlets were made available to the trade and business press.

The section established and maintained a number of mailing lists including Governors; state and local employment committees and key members of such committees; cooperating national, fraternal, welfare, and religious organizations and many of their local bodies; libraries; and individual business executives, economists, welfare workers and others interested in meeting the emergency.

All printed pamphlets issued by the Committee were printed by the United States Government Printing Office. Mimeographed bulletins and releases were prepared by the Department of Commerce.

APPENDIX A

SUGGESTIONS

During the course of its activities the Committee received upwards of 3,000 suggestions, the term including protests, criticisms, and specific and general remedies.

An analysis of some 2,000 of these suggestions, or plans, showed that either the suggestions were quite familiar and in operation, or they were of such a nature as to be deemed unwise or inexpedient under existing conditions.

The main categories of the suggestions, with their subdivisions, were as follows:

I. *Centralized Control for Business Organizations*
Planning Boards and Councils or other centralized control.

II. *Control of Labor Supply*
1. Deportation or protests re aliens
2. Suspension of immigration
3. Birth control
4. Temporary enlistment
5. Staggering or spreading work devices. (See Industrial Policies)
6. Employment Bureaus
7. Married women
8. Retirement of Federal employees

III. *Industrial Policies*
1. Spreading work
2. Staggering
3. Shorter working day
4. Shorter working week
5. Recommendations re wages
6. Increase employment

IV. *Credit Policies*
1. Bank policy modification and criticism
2. Government loans, including bonus

V. *Monetary Schemes*
(as distinct from conventional credit extensions)
1. Government subsidies to gold mines
2. Bimetallism, etc.
3. New media of exchange

VI. *International Trade and Finance*
1. Tariff
2. Reparations

VII. *Stimulation of Consumption or Production*
1. "Buy Now"
2. Government start buying
3. Retailers stock up
4. Bargains, sales, reduced prices, etc.

VIII. *Stimulation of Public and Private Projects*
1. Roads, bridge building, railroads, etc.
2. Dams, canals, dredging
3. Housing and building projects
4. Repairing, etc.
5. Reforestation
6. General public works

IX. *Schemes for Stabilization of Income*
1. Unemployment insurance
2. Pensions
3. Reserves
4. Business and group insurance

X. *Relief*
1. Food
2. Clothing
3. Shelter
4. Money or reduced taxes

XI. *Fund Raising Methods for Relief*
1. Benefits
2. Taxation of income, business, etc.
3. Voluntary giving
4. Government subsidies and lotteries

XII. *Individual Aid Requested*
1. Jobs
2. Money
3. Assistance on patents, songs, or individual projects
4. Persuade companies to resume

XIII. *Local Conditions and Programs*
1. Definite programs
2. Progress reports
3. Surveys being made
4. Facts re local conditions

XIV. *Mechanization*

XV. *Prohibition*

XVI. *Agricultural Suggestions*
1. Farm movement and agricultural advancement

XVII. *Protests, Criticisms and General Advice*
1. Protests against double job-holders, discharge policies of firms, wage reductions, high rents, mergers, etc.
2. General administrative criticism, including President Hoover, Red Cross, Committee, local programs, etc.

XVIII. *Miscellaneous*
1. Religious
2. Psychological
3. Educational
4. Services offered
5. Legal

APPENDIX B

FEDERAL RESERVE BOARD INDICES

(1) Total Industrial Production; (2) Factory Employment; (3) Factory Pay Rolls; (4) Value Building Contracts Awarded; (5) Freight Car Loadings; (6) Commodity Prices; (7) Department Store Sales

(Index numbers; 1923–1925 average = 100. The term adjusted refers to adjustment for seasonal variation)

Year	(1) Ind. Pro. Adj.	(2) Fcy. Emp. Adj.	(3) Fcy. Pay Un-Adj.	(4 *) Bld. Con. Adj.	(5) Frt. Car Lds. Adj.	(6 †) Com. Prices	(7) Dept. Str. Sales Adj.
1921							
Jan.	67	83	84	43	79	114	92
Feb.	66	84	82	43	79	105	92
Mch.	64	83	82	46	75	102	89
Apr.	64	82	80	50	77	99	89
May	66	82	78	53	79	96	87
June	65	81	76	55	80	93	87
July	65	80	72	57	81	93	87
Aug.	67	81	74	61	77	94	84
Sept.	67	82	74	64	80	93	82
Oct.	71	83	73	65	83	94	86
Nov.	71	84	72	66	77	95	83
Dec.	70	83	74	66	77	93	84
1922							
Jan.	73	84	70	67	80	91	83
Feb.	76	85	73	68	86	93	83
Mch.	80	85	75	75	88	93	84
Apr.	77	86	74	78	81	93	87
May	81	88	77	80	78	96	87
June	86	90	80	85	85	96	86
July	86	88	78	88	83	99	86
Aug.	84	90	82	86	84	99	88
Sept.	88	92	87	80	88	99	91
Oct.	94	95	89	76	89	100	93
Nov.	97	98	93	76	95	101	92
Dec.	100	100	96	79	96	101	93
1929							
Jan.	119	100	101	120	108	96	110
Feb.	119	100	108	118	107	95	111
Mch.	119	101	111	121	105	96	112
Apr.	121	102	111	123	108	96	110
May	122	102	111	121	107	95	109
June	125	103	110	126	108	95	113
July	124	103	106	124	107	97	109
Aug.	121	103	111	122	107	96	111
Sept.	121	102	112	110	106	96	114
Oct.	118	101	111	107	104	95	112
Nov.	110	99	103	103	102	94	108
Dec.	103	97	99	102	102	93	108
1930							
Jan.	106	96	94	95	100	93	107
Feb.	107	94	98	104	99	91	108
Mch.	104	93	98	102	96	90	107
Apr.	104	92	97	101	97	90	107
May	102	91	94	105	96	89	105
June	98	90	91	99	93	87	103
July	93	87	83	95	92	84	100
Aug.	90	84	82	81	89	84	102
Sept.	90	83	83	81	87	84	99
Oct.	88	82	81	78	86	83	102
Nov.	86	81	75	76	84	81	98
Dec.	84	80	74	73	84	80	94
1931							
Jan.	83	78	68	71	82	78	97
Feb.	86	78	73	79	80	77	98
Mch.	87	78	75	77	80	76	97
Apr.	88	78	74	73	80	75	106
May	87	78	72	65	79	73	97
June	83	76	68	63	77	72	95
July	82	75	64	61	76	72	91
Aug.	78	74	64	59	72	72	88
Sept.	76	73	62	59	69	71	84
Oct.	73	70	59	55	69	70	86
Nov.	73	69	56	49	68	70	83
Dec.	74	69	56	38	69	69	81

* Three-month moving average, centered at second month.

† Revised wholesale price index of Bureau of Labor Statistics (784 price series); 1926 = 100.

APPENDIX C

ESTIMATED CONSTRUCTION

(In millions of dollars)

	1925	1926	1927	1928	1929	1930	1931
Residential	3,050	2,965	2,856	3,095	2,127	1,222	900
Commercial	968	1,022	1,036	982	1,031	684	345
Factories	363	523	417	565	606	285	129
Theatres, Clubs, Lodges Religious and Memorial	386	385	393	311	224	188	129
Farm Construction	470	470	473	463	463	367	258
TOTAL PRIVATE	5,237	5,365	5,175	5,416	4,451	2,746	1,761
Railroads	1,223	1,371	1,339	1,280	1,370	1,230	787
Electric Power Co.	884	823	844	813	906	968	654
Telephone Co.	502	534	545	613	795	817	604
Electric R. R. Co.	242	207	205	194	194	189	155
SUB-TOTALS	2,851	2,935	2,933	2,900	3,265	3,204	2,200
Pipe Line Co.						515	469
Gas Co.			Data			226	167
Telegraph Co.			not			73	37
Waterworks Co.			Available			44	25
TOTAL R. R. AND PUB. U.						4,062	2,898
Cities	1,283	1,302	1,482	1,422	1,339	1,495	1,302
Counties	778	676	885	829	556	709	329
States (Excl. Fed. Aid)	411	404	438	502	576	706	786
Federal (Incl. Fed. Aid, Excluding D. C.)	245	230	240	270	305	390	510
TOTAL PUBLIC	2,717	2,612	3,045	3,023	2,776	3,300	2,927
SUB-TOTALS	10,805	10,912	11,153	11,339	10,492	9,250	6,888
GRAND TOTAL						10,108	7,586

Based on reports to the F. W. Dodge Corporation, to the Department of Agriculture, the Bureau of the Census, and the Federal Employment Stabilization Board.

Compiled by the Federal Employment Stabilization Board.

March 30, 1933.

APPENDIX D

THE PRESIDENT'S EMERGENCY COMMITTEE FOR EMPLOYMENT

DEPARTMENT OF COMMERCE

WASHINGTON, D. C.

CONTEMPLATED PUBLIC AND SEMI-PUBLIC WORKS

Valued at over $25,000

To Engineers, Architects, Contractors, Public Officials and Others:

Please note on the accompanying card any information you may have regarding public or semi-public construction which is now being contemplated. Additional cards will be sent to you if indicated below.

The source of this information will be regarded as confidential and the information will be used for the purpose of hastening the starting of work on projects which are feasible and where cooperation between the President's Emergency Committee, the authorities, and the local employment committees is practicable.

Needed and properly planned public works, such as public buildings, highways, piers, bridges, drainage, water works, parks and playgrounds justify their cost by increasing general property values. Labor, which might otherwise go to waste through unemployment, may thus be stored up for future public use.

Many semi-public works, such as schools, libraries, college buildings, hospitals, and the like may well be constructed in times of industrial depression and low cost.

ARTHUR WOODS, *Chairman*
The President's Emergency Committee for Employment

NOTE.—Please detach here and mail self-addressed card below.

1	2	3	4	5	6	7	8	9	10

Project_____ Estimated Cost_____

Location: State_____ City or Town_____ Street_____

Present Status (check appropriate space following):

PROJECT IS AWAITING:

Authorization?_____ Appropriation?_____ Land Purchase?_____ Preparation of plans?_____ Approval of plans?_____ Advertising for bid?_____ Contract let but work held up_____

State any other cause which in your opinion may be delaying this project_____

Owner_____ Address_____

Officer in charge_____ Address_____

Legislative Committee_____ Address_____

Chairman of Committee_____ Address_____

Engineer_____ Address_____

Architect_____ Address_____

Signed_____ Affiliation_____

Address_____ Additional cards desired?_____ Date_____

APPENDIX E

THE PRESIDENT'S EMERGENCY COMMITTEE FOR EMPLOYMENT

DEPARTMENT OF COMMERCE BUILDING

WASHINGTON, D. C.

Employment Procedure in Industrial Firms

1. Company: Name_____
   Street_____
   City and state_____
   Kind of business_____
   Company official reporting_____
   (Name) (Title)

	Weekly Payroll (Dollars)	Number of Employees		
		Full Time	Part Time	Total
2. Payrolls and employees:				
a. Average for 1929 or similar figure available for comparison				
b. As of approximately March 1, 1931				
c. As of approximately May 15, 1931				

3. What percentage of full time were the part-time workers being employed as of May 15, 1931? Please express as average per cent for all part-time workers_____%.
4. What are the usual peak months in your business?
   From_____ to_____
   From_____ to_____
5. What are the seasonal slumps or slack periods in your business?
   From_____ to_____
   From_____ to_____
6. Are layoffs likely to be necessary during slack periods? If so, please indicate when and how extensive with particular reference to probable slack periods between now and next fall._____
7. Please mark in the attached pamphlet and return: (a) policies and practices already being used to avoid layoffs; (b) policies and practices which seem adaptable to your firm.
8. Brief outlines of plans which have proven successful will be appreciated. These may be indicated on the back of this sheet or by separate letter.

(Please indicate any information considered as confidential.)

APPENDIX F

THE PRESIDENT'S EMERGENCY COMMITTEE FOR EMPLOYMENT

DEPARTMENT OF COMMERCE BUILDING

WASHINGTON, D. C.

Employment in Retail Establishments

1. Company: Name_____
   Address _____
   Kind of business_____

2. Number of employees on payroll:

	Full Time	*Part Time		Total
		Reg.	Extra	
a. Average for 1929 or similar figure available for comparison as assumed normal				
b. As of approximately March 1, 1931				
c. As of peak of Easter rush, 1931. Organizations not affected please cite April 1 Figures				
d. As of approximately May 15, 1931				

3. What are the usual peak months in your business?
   From_____ to_____
   From_____ to_____
   From_____ to_____
4. What are the seasonal slumps or slack periods in your business?
   From_____ to_____
   From_____ to_____
5. Are layoffs of regular force likely to be necessary during slack periods? If so, please indicate briefly when and how extensive, with particular reference to the probable slack periods between now and next fall._____
6. As a substitute for layoffs, do you think that the spreading of work, as outlined in the Committee's pamphlet, can be applied in your establishment?_____
7. Please mark in the attached pamphlet and return: (a) policies and practices already being used; (b) policies and practices which seem adaptable to your purposes.

* Regular part-time employees should include those who are working less than the full working day or week on the date of report. Extra part-time persons should include those taken on temporarily for sales events.

(Please indicate any information considered as confidential.)

71ST CONGRESS } SENATE { REPORT
3d Session } { No. 1264

DROUGHT RELIEF AND UNEMPLOYMENT—LA FOLLETTE RESOLUTION

JANUARY 5 (calendar day, JANUARY 9), 1931.—Ordered to be printed

U.S. Congress. Senate.

Mr. JONES, from the Committee on Appropriations, submitted the following report of testimony called for by Senate Resolution No. 376

TUESDAY, JANUARY 6, 1931

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The committee met, pursuant to call, at 10 o'clock a. m. in the committee room, Capitol, Hon. Wesley L. Jones presiding.

Present: Senator Jones (chairman), Smoot, Phipps, Keyes, Harris, Copeland, Hayden, and Bratton.

The committee thereupon proceeded to the consideration of the resolution (S. Res. 376) requesting the Appropriations Committee to summon Col. Arthur Woods and certain other persons to testify concerning phase of unemployment and depression.

The CHAIRMAN. The committee has met to consider Senate Resolution 376, by Senator La Follette, calling for certain information from various sources. I am rather inclined to think that this resolution should have gone to some legislative committee; but, as it has come to this committee, we will try to get the information called for by the resolution.

The last part of the resolution, on page 3, is as follows:

Resolved further, That the Appropriations Committee is hereby requested to call James A. Wetmore, Acting Supervising Architect, to ascertain:

(1) What sum of money could be expended on public buildings during the ensuing calendar year if all possible effort were made to accelerate the work on public-building projects now authorized.

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I have a letter from Mr. Wetmore that I think answers very clearly and very fully that requirement of the resolution. I will read the letter, so that the members of the committee who are here will know what his answer is.

(The chairman read the following letter:)

TREASURY DEPARTMENT,
Washington, January 3, 1931.

The CHAIRMAN COMMITTEE ON APPROPRIATIONS,
United States Senate.

SIR: Referring to Resolution S. 376, and in compliance with your request, I beg to submit the following summary, indicating with reasonable approximation, the sum of money which could be expended on public buildings during the calendar year 1931, if all possible effort were made to accelerate the work on public building projects now authorized:

Total specific authorizations for sites and buildings under public-building program, $401,460,869.04. Of this amount there has been expended to date $84,175,165.73. The difference of $317,285,703.31 has been obligated to the extent of $47,221,870.92, leaving an unobligated balance to date of $270,063,832.39. All but $49,000,000 in round numbers of this remaining amount represents projects that are on the market for bids or in the drawing or specification stage, or awaiting titles to land.

It is expected that action will be taken on projects included in the $49,000,000 balance above referred to during the present calendar year.

If appropriations were made in full for all projects authorized, and for all purposes incidental to carrying into effect such authorizations, it would be possible, under present legislation, to proceed only with those projects where the land has been acquired on which to build. No definite statement can be made as to the date when titles will be vested in the United States. Keeping in mind the contingency of delays in perfecting titles, the estimated maximum expenditure for land and construction under the public-building program for calendar year 1931 is $138,000,000.

There is now available as of January 1, 1931, appropriations for the above purposes totaling $73,164,998.60.

The additional amount of $65,000,000 is included in the pending appropriation bill for the Treasury and Post Office Departments which, if enacted into law, will provide a total of $138,164,998.60 for expenditures during the calendar year 1931.

If the provisions of existing legislation under which the present public-building program must be carried into effect were somewhat liberalized, the prospect of reaching the maximum expenditures above indicated during the calendar year 1931, would be considerably enhanced. Several bills for this purpose are now pending in Congress.

Respectfully,

JAS. A. WETMORE,
Acting Supervising Architect.

Senator COPELAND. He does not call attention specifically to what bills will be most helpful, does he?

The CHAIRMAN. No; he does not. I expressed the desire that he should have pointed out the way in which he would like to have this legislation liberalized.

Senator KEYES. Mr. Chairman, a bill dealing with that subject has been prepared by the Treasury Department and introduced in the Senate. A similar bill was introduced in the House. The Committee on Public Buildings and Grounds of the House reported it out favorably. It is now on the House Calendar, and they expect to get action on it very soon.

Senator COPELAND. Is it your judgment that that will cover the points suggested?

Senator KEYES. That is all they have asked, except that Senator Smoot has another bill that comes, I think, not from the Treasury

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Department, but from some officials, dealing with the unemployment situation.

Senator SMOOT. The Public Buildings Commission.

The CHAIRMAN. I will ask the Secretary of our committee to get copies of those bills and have them printed in the hearing in connection with this letter from Mr. Wetmore.

(The bills referred to are as follows:)

[S. 4791, Seventy-first Congress, third session]

A BILL To enable the Secretary of the Treasury to expedite work on the Federal building program authorized by the act of Congress entitled "An act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926, and acts amendatory thereof

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That to enable the Secretary of the Treasury to expedite work on the Federal building program authorized by the act of Congress entitled "An act to provide for the construction of certain public buildings and for other purposes," approved May 25, 1926, and acts amendatory thereof, the Secretary of the Treasury be, and he is hereby, authorized and empowered to obtain by contract without competition topographical surveys of sites, test pits and borings where such sites have been selected although title thereto may not have been vested in the United States; to limit to such number of days as he deems proper the advertising for bids for sites for public buildings; to restrict the competition in bidding on the construction of public buildings to such persons, firms, or corporations only as possess the qualifications which he deems necessary and proper in the public interest to require; to obtain outside architectural, engineering, technical, or professional services to such extent as he deems necessary in connection with the plans and specifications for Federal buildings which have been been specially authorized to be constructed where the sites have been selected notwithstanding title to such sites may not have been vested in the United States.

SEC. 2. In special cases where the Secretary of the Treasury deems such procedure to be to the interest of the Government in the expedition of projects he is hereby authorized and empowered to select the contractor therefor without competition, and at such fees, or lump-sum price as he deems just and proper.

[S. 5342, Seventy-first Congress, third session]

A BILL To provide for the selection of sites for public buildings outside of the District of Columbia

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That to enable the Secretary of the Treasury to expedite work on the Federal building program authorized by the act of Congress entitled "An act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926, as amended, the Secretary of the Treasury is hereby authorized and directed to appoint not to exceed twelve committees, each of which shall consist of three members, to assist in the selection of sites for public buildings outside of the District of Columbia. The sites selected by such committees shall be subject to the approval of the Secretary of the Treasury, but no site so selected shall be approved until each member of the committee which selected such site shall make and file with the Secretary an affidavit under oath or affirmation that he was not interested, directly or indirectly, in the property selected for such site either at the time of making such selection or at the time of making such affidavit.

SEC. 2. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

Senator BRATTON. Mr. Chairman, my interpretation of this resolution is that it requires us to call all of the persons named, including Mr. Wetmore, before the committee. Do you concur in that view, or

do you think a letter from Mr. Wetmore complies with the requirements of the resolution?

The CHAIRMAN. I thought that a letter specifically answering the request for information would be a full compliance with it. I did not suppose we actually had to have these gentlemen here physically; but, of course, if the committee desire that, we can call them. I thought we would save their time, and ours as well, by doing this.

Senator SMOOT. In this particular case, Senator, the questions asked here are questions as to the amount of possible appropriations that could be advantageously used. The letter covers that completely and gives the figures of what they have done.

The CHAIRMAN. It did not seem to me that under the terms of the resolution we would have to have these gentlemen here actually in person; but if the members of the committee think that is necessary, of course, we will call them.

Senator BRATTON. There is a slight difference in the phraseology of that part of the resolution relating to Mr. Wetmore. For instance, it says:

Resolved further, That the Appropriations Committee is hereby requested to call James A. Wetmore, Acting Supervising Architect, to ascertain—

And so forth.

The CHAIRMAN. Yes; but all that is asked is what sum of money could be expended. If we get a statement from him as to that, it seems to me that is a technical compliance with that request. All that is required is a statement of the sum of money.

Senator BRATTON. I do not quite agree with that, Mr. Chairman. The resolution requests us to call Mr. Wetmore before us to ascertain—

What sum of money could be expended on public buildings during the ensuing calendar year if all possible effort were made to accelerate the work on public-building projects now authorized.

I think the committee would be well within its rights in interrogating Mr. Wetmore as to what efforts are being made to accelerate the public-building program.

The CHAIRMAN. There is no question about that, Senator, if the committee wants to do it.

Senator BRATTON. I shall not make the request now, but I do not want to waive the right to do so later. I may want to ask Mr. Wetmore what is being done to accelerate the public-building program throughout the country.

The CHAIRMAN. All right. I will not consider that any Senator has waived any rights at all by reason of these letters.

Senator BRATTON. And I really think the resolution contemplates calling these individuals before us.

Now let me call your attention, Mr. Chairman, to page 2. The express language there is a request that Judge Payne be called before the committee.

The CHAIRMAN. So far as that is concerned, we have Judge Payne here, but I called Judge Payne by reason of the terms of the resolution calling for information that we probably could not get in any other way except by having him here personally. Whatever the committee desires with reference to this matter, however, will of course be carried out.

Senator HARRIS. Mr. Chairman, I particularly want Mr. Wetmore to come before the committee, for this reason:

We appropriated money for a public building at Atlanta. I went to the department, or called down there, and Senator George did, a dozen times, to see whether they were going to get an outside architect so as to prevent any delay, as there was more work than could possibly be done by the regularly employed architects of the Treasury. I did not recommend any architect. I had in mind no particular architect in Atlanta. There are many goods ones there, some who have worked in the Treasury Department. I think the architects at the Treasury Department, by not employing more outside architects, and trying to do all the work themselves, are delaying a great deal of the work of the Government and postponing work that would give employment to many. I want Mr. Wetmore to tell us exactly what he expects to do about that matter.

The CHAIRMAN. I will say that I do not believe that that is contemplated by the resolution; but I have no objection to calling these gentlemen down here, except this: We must understand that this is a short session of Congress. We have to deal with all the appropriation bills. This committee can not give time, as legislative committees can, to gathering all sorts of information that would be especially beneficial in connection with legislation. That is what I suggested at the start—that this resolution as a matter of fact ought to have gone to some legislative committee that will present legislation to Congress, because if matters have to be done growing out of the information elicited here, they will be legislative matters.

Senator HARRIS. Mr. Chairman, as you know, I want to hurry all the appropriation bills through.

The CHAIRMAN. Yes; I know that.

Senator HARRIS. But it seems to me helping the unemployment situation depends upon what Mr. Wetmore is going to do about these additional architects. If his regular architects are going to try to hold all this work back just for them to do the work, instead of getting architects on the outside, of course it is going to delay all work on public buildings.

The CHAIRMAN. I know, Senator, as a matter of fact, that architects are being gotten from the outside.

Senator SMOOT. I know that I had to provide space for over 400 additional employees for the Architect's Office here within the last two months.

Senator HARRIS. As I stated, Senator George and I conferred with the Treasury Department many times before we ever got any satisfaction; and then they selected a man, but not until the Undersecretary of the Treasury, who was before the Commerce Committee, was asked these questions, and took an interest in the matter, did they ever show any interest in hurrying that work. I think for Mr. Wetmore to get these outside architects is more important than anything else that is before us in giving employment to people; and I should like to have him before the committee.

The CHAIRMAN. We shall be very glad to have him come down.

Senator HARRIS. As Judge Payne is here, I think it will be well to call Judge Payne.

The CHAIRMAN. We will have Judge Payne in just a moment. I have one or two other matters that I want to read into the record anyhow, and then the committee can take such action as it desires.

Senator COPELAND. Mr. Chairman, before you leave Mr. Wetmore's letter, I have forgotten what the exact language was, but he spoke about the work proceeding as rapidly as sites were provided. The intimation I have is that there is delay in the Department of Justice in pushing the condemnations; that a great many times the Architect's Office is being blamed for the failure of the Department of Justice to proceed with the condemnations; and he speaks of that in the letter.

Senator PHIPPS. As I understand, there is a bill pending in the House now that gives them the same authority in other jurisdictions that they now have in the District of Columbia—that is to say, to file on a site, to condemn it, and proceed without waiting for the completion of the judicial ascertainment, so that as soon as that legislation can go through they will be free to take charge of any property anywhere.

Senator BRATTON. My experience has been that the delay in selecting the sites is not due in every case to the Department of Justice. For instance, I call to mind now an instance where the money was appropriated early last spring, and the Treasury Department sent its agent on the ground to look at sites for the first time less than two weeks ago, eight or nine months after the appropriation was made. It seems to me that that is not accelerating the program; and I think we might well interrogate Mr. Wetmore to a reasonable degree about these delays, and how they may be corrected.

The CHAIRMAN. He will be here, and can go into every detail that is desired.

Senator COPELAND. Your idea is to fix responsibility?

Senator BRATTON. Yes; and perhaps to suggest ways of correcting these things.

Senator COPELAND. I desire to call attention for a moment to this letter. It says:

> If appropriations were made in full for all projects authorized, and for all purposes incidental to carrying into effect such authorizations, it would be possible, under present legislation, to proceed only with those projects where the land has been acquired on which to build. No definite statement can be made as to the date when titles will be vested in the United States. Keeping in mind the contingency of delays in perfecting titles, the estimated maximum expenditure for land and construction under the public-building program for calendar year 1931 is $138,000,000.

And so forth.

That is the intimation I have had—that the great difficulty at the present time is due to the delay in the perfection of titles, and actually to sluggishness on the part of the department in proceeding in these matters.

The CHAIRMAN. We can go more fully into that when Mr. Wetmore comes before the committee.

Senator COPELAND. I want the members of the committee to have that in mind, because if you will look in your own territory you will find that condemnation proceedings have been very, very slow. There has not been the speed in them that could be desired.

Senator SMOOT. My experience has been that most of the delay has been caused by citizens of the city in which the post office is to be located disagreeing as to where the site should be—a fight over the site, as to whether it should be in this block, or on that street, or in this section of the city, or some other.

Senator COPELAND. I know that; but I am not speaking about those cases. I am speaking about cases where there is a determination of the site.

The CHAIRMAN. On page 2 of the resolution it provides as follows:

Resolved further, That the Committee on Appropriations is hereby requested to call Col. J. Clawson Roop, Director of the Budget, to ascertain among other things the following:

(1) How much the Budget estimates for public works were reduced, if at all, between July and November, 1930.

I called on the Director of the Budget to give that information. Of course, if the committee feels that it is necessary to have him actually here, that will be all right; but I am going to read his letter in answer to that question, because he gives a definite and concrete answer to it.

(The chairman read the following letter:)

BUREAU OF THE BUDGET,
Washington, January 2, 1931.

Hon. WESLEY L. JONES,
Chairman Committee on Appropriations,
United States Senate.

MY DEAR SENATOR JONES: With reference to that portion of Senate Resolution No. 376, which relates to ascertaining from the Director of the Bureau of the Budget how much the Budget estimates for public works were reduced, if at all, between July and November, 1930, the following summary of the reductions in such estimates presented by the several executive departments is submitted:

Department of Agriculture	$561,675
Department of Commerce	982,450
Department of the Interior	16,768,398
Department of Justice	1,382,000
Navy Department	1,107,000
War Department	2,004,085
Total	22,805,608

The reduction of $16,768,398 in estimates presented by the Department of the Interior include a reduction of $4,500,000 in the estimate for the Boulder Canyon project and the elimination of an estimate of $6,500,000 for the all-American canal, which reduction and elimination were made by the department at the hearings held by the Bureau of the Budget on these items.

With regard to the item of $1,107,000 pertaining to the Navy Department, the estimates of that department for 1932 included certain public-works projects at a total limit of cost of $12,254,500, for which $9,700,000 was asked as a direct appropriation. There was included in the Budget for 1932 Navy public works projects with a limit of cost of $11,147,500, a reduction of $1,107,000, for which the estimate for direct appropriation was $10,000,000, an increase of $300,000.

Very truly yours,

J. CLAWSON ROOP, *Director.*

The CHAIRMAN. Of course, if we want the Director of the Budget to come down here, we will call for him.

Also, on page 2 of the resolution, it provides:

Resolved further, That the Appropriations Committee is hereby requested to call Maj. Gen. Lytle Brown, Chief of Army Engineers, to ascertain:

(1) What sum of money could be expended on rivers and harbors during the ensuing calendar year if all possible effort were made to accelerate the work on existing authorized projects.

I have a letter from General Brown that I think directly answers that question; but, of course, if we want to go more into detail, we can have him here.

(The chairman read the following letter:)

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, December 31, 1930.

The CHAIRMAN, COMMITTEE ON APPROPRIATIONS,
United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: In reference to Senate Resolution 376, Seventy-first Congress, third session, I am directed to answer the following inquiry:

What sum of money could be expended on rivers and harbors during the ensuing calendar year if all possible effort were made to accelerate the work on existing authorized projects?

The answer to the above inquiry is $85,000,000 to $90,000,000.

The condition appears to be fairly well met by the emergency appropriation of $22,500,000 and the expected regular appropriation of $60,000,000.

The expenditures for the past three years have been:

1928	$48,000,000
1929	57,000,000
1930	72,000,000

This shows a progressive increase tending to verify the opinion expressed above.

With the appropriations as expected this year of $82,500,000, there should be a balance of $40,000,000, including obligations, on hand December 31, 1931, which should carry all work in progress until the regular appropriations for the fiscal year 1933 become available, provided the time of availability is not unduly delayed.

Respectfully,

LYTLE BROWN,
Major General, Chief of Engineers.

The CHAIRMAN. That is a very concrete answer. That letter will be in the record; and, of course, if it is desired to call General Brown, we will do it.

Let me suggest that these hearings should be printed by to-morrow. Then those who are interested can look over them and see what has been said, and if we come to the conclusion that we want these gentlemen called we will call them.

Let me say, also, that I think we shall probably have to have some night sessions if we continue these hearings, because we have hearings on the regular appropriation bills beginning very soon and going right along. It will be necessary, therefore, for us to have nights hearings on any other matter.

Senator SMOOT. And we are making no headway on the appropriation bills already reported, as Senators must have noticed yesterday.

STATEMENT OF HON. JOHN BARTON PAYNE, CHAIRMAN OF THE AMERICAN NATIONAL RED CROSS

The CHAIRMAN. Judge Payne, chairman of the American National Red Cross, is here. He is asked by the resolution to give us the following information:

(1) Conditions in the drought stricken States.
(2) Whether the American Red Cross can provide adequate relief to all needy persons in said States.

(3) Conditions in the cities and towns of the country caused by the economic depression and resultant unemployment.

I understand that Judge Payne has prepared a written statement. I think—I make this merely as a suggestion—that it would be well to allow him to go through with his written statement, and then we will make such inquiries of him as we may deem desirable.

Please give your full name to the reporter.

Mr. PAYNE. John Barton Payne.

The CHAIRMAN. You are the president of the American Red Cross?

Mr. PAYNE. I am chairman of the American National Red Cross. The President of the United States is the president.

EXTENT OF DROUGHT

Mr. Chairman and Senators, the present drought situation has affected most of the States east of the Rocky Mountains. Based upon the loss of crops resulting from the drought, reduced freight rates were granted by the railroads upon certification of the Department of Agriculture in 1,016 counties in 21 States up until November 30, 1930. These special rates, therefore, applied in almost one-third of the 3,074 counties in the United States.

RED CROSS PROGRAM

At the request of the President, the American Red Cross undertook a national relief program in behalf of the drought sufferers commencing in August. Red Cross efforts in this field have supplemented the activities of the Federal, State, and local governments and other agencies.

In solving the many economic and social problems arising from the drought, it was considered essential that the Red Cross remain in the background in so far as possible. The welfare of the individual drought sufferer could best be promoted by having him solve his own problem, if he could, through normal banking and commercial channels. It was best that he secure other employment if possible, and work our his own recovery, relying on the Red Cross only when his own efforts were unsuccessful.

During September and October the Red Cross program involved mainly the provision of pasturage and garden seed to needy families. This was done in 238 counties in the six States of Arkansas, Kentucky, Louisiana, Mississippi, Oklahoma, and Texas, and resulted in giving seed for pasturage to 58,352 families, and garden seed to 27,494 families.

The Red Cross has also been giving necessary food, clothing, and other relief to families whose income has been greatly reduced or entirely wiped out by the drought. The necessity for this more general program was greatly increased during December, as community and family resources in a number of instances were becoming depleted. In many southern counties, cotton picking provided work during the fall months, and other employment of various kinds was available. However, with the advent of winter many of these activities no longer offered a source of income to the families in the drought area.

To December 31, 1930, food, clothing, and other relief in addition to the seed above mentioned were given by the Red Cross to 49,963 families, representing approximately 250,000 individuals, in 338 counties in the 17 States of Alabama, Arkansas, Illinois, Indiana, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Montana, North Carolina, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia.

ORGANIZATION OF AMERICAN RED CROSS

The American Red Cross is a national organization with general headquarters in Washington, branch offices in St. Louis and San Francisco, and about 16,000 local units known as chapters and branches, which cover practically every county in the country. Red Cross work in the field is administered by these chapters with their branches. Many of the local units have organized subcommittees responsible for the various phases of Red Cross work. In hundreds of the counties affected by the drought special subcommittees have been established to carry on the Red Cross relief program. These subcommittees are composed of leading citizens from all sections of the affected territory,

who are most familiar with local conditions. The relief machinery is such that it can be expanded or contracted in accordance with changing requirements.

The drought-relief program has been carried on by Red Cross chapters and branches with the assistance of the national organization, including a staff of experienced disaster field representatives. From November 15 to December 31, 75 of these field representatives have visited 613 drought counties. The national staff has therefore been constantly in touch with local conditions in the counties seriously affected by the drought, has ascertained the basic needs of the families, and has assisted the chapters in meeting such needs.

BASIS OF RED CROSS RELIEF

Red Cross relief is based upon need, not loss. If a family can recover from the effects of the drought through its own resources or credit, it is not given Red Cross assistance. The Red Cross can not provide a complete insurance against all the hazards of agriculture and industry. Its purpose is to give whatever assistance is necessary to prevent suffering. The relief which it administers must be regarded as a stepping-stone to recovery. The needs of the families affected by the drought vary in accordance with the standards of each community and family. Persons requiring help in one county might be considered well to do in another. For these reasons, it is necessary that the Red Cross administer relief on a case-by-case consideration of the needs of each family.

FINANCES

The Red Cross has spent, to the end of December, $849,965.49 for drought relief, of which $329,162.50 was for the seed program and $520,802.99 for food and other items, including donated supplies. These funds have been derived from the following sources:

Local chapter funds and collections	$403,730.59
Expenditures by the national organization	446,234.90
Total	849,965.49

In this relief work, obviously the needs per family are less than in disasters such as earthquakes, tornadoes, and floods involving deaths, injuries, and the destruction of homes and other property. The drought has caused a serious loss of income to thousands of American families, but has not brought with it severe losses of life and property such as occur in other disasters.

In so far as possible Red Cross drought relief work is being financed through local donations of cash and supplies. In some communities appropriations have been made to the Red Cross chapter from county and city funds. As local resources become exhausted, the national organization of the Red Cross is assisting its chapters with cash grants from its disaster reserve. To date $446,234.90 has been appropriated from this fund, and the balance is available to assist chapters during the next few months, when needs will increase day by day, due to the exhaustion of local resources.

If the winter continues mild, if employment opens up in some fields, and if the Government's agricultural loan program meets a large portion of the need in connection with the spring planting, the balance of this reserve will probably be sufficient. Other factors, such as the condition of banking and credit, and commodity prices, will materially influence the need for Red Cross relief. Should the balance of this fund prove insufficient, the Red Cross will ask the country for such contributions as may be necessary.

This disaster reserve has been maintained by the Red Cross for several years as a revolving fund to enable the organization to act immediately in time of large disaster, without waiting until relief contributions were received from the public. If exhausted during the present emergency, it will be necessary for the Red Cross to appeal to the generosity of the American people for such additional assistance as may be necessary.

It has been difficult accurately to estimate the financial requirements of this emergency. In other disasters, such as hurricanes or tornadoes, the full force is felt within a few hours or even minutes, and its nature and extent are known. It is then possible fairly accurately to estimate the amount of relief funds required. In this instance, no one can foresee what eventually may be needed to finance the relief work. It is known that thousands of families have lost a portion or all of their normal income. However, many of the families have other sources of income, and many had resources or credit which could

be used. Also, in many instances Federal, State, and local Governments and other agencies are providing work which will enable the breadwinner to support his family. Other varying factors make it impossible to estimate the financial requirements until they are determined by a study of the individual needs of each family.

FARM PROBLEMS WHICH ARE NOT DUE TO THE DROUGHT

The existing low prices of such important farm commodities as cotton, tobacco, wheat, etc., have resulted in numerous communities not seriously affected by the drought registering requests for relief, even though they were not included among those counties given reduced freight rates on account of the drought, and many of which are not now included in the provisions of the bill providing loans for crop production. In other words, there is a tendency to view the whole economic situation of agricultural America as a part of the drought problem in so far as relief by the Red Cross is concerned. Even in these instances, local Red Cross chapters are undertaking to extend such forms of relief as have been made available by the community.

STATISTICAL STATEMENT

There is presented herewith a statement showing the following information for States in which reduced freight rates were granted: Total number of counties in the State, number of counties receiving reduced freight rates, number of counties receiving seed from the Red Cross, and number of counties receiving food and other assistance from the Red Cross.

State	Counties in State	Number of counties receiving reduced freight rates	Number of counties given aid by Red Cross	
			Food, clothing, and other assistance	Seed
Alabama	67	39	9	
Arkansas	75	75	53	61
Georgia	161	7		
Illinois	102	40	13	
Indiana	92	41	12	
Kentucky	120	117	52	102
Louisiana	64	40	23	17
Maryland	24	21	5	
Mississippi	82	73	32	20
Missouri	115	78	16	
Montana	56	28	6	
New Mexico	31	5		
North Carolina	100	8	1	
Ohio	88	60	19	
Oklahoma	77	60	13	9
Pennsylvania	67	8		
Tennessee	95	79	19	
Texas	254	82	13	29
Virginia	100	100	36	
West Virginia	55	50	16	
Wyoming	24	5		
Total	1,849	1,016	338	238

That is the statement, Mr. Chairman.

Senator PHIPPS. Colonel Payne, you say that approximately $850,000 so far has been distributed. What have the contributions been up to January 1, and what balance does the Red Cross have available as of January 1?

Mr. PAYNE. We started out with a reserve fund of $5,000,000. Up to January 1 we had expended $849,965.49. Of this, $446,000, roughly half a million dollars, came from the national fund, and $403,000 came from local contributions and local chapter funds, leaving roughly $4,500,000 still available for relief.

Senator PHIPPS. And you think it not possible at this time to estimate what the requirements will be for the next three or four months?

Mr. PAYNE. That has been my conviction from the beginning, Senator. When you realize what this disaster is, you see how plain that proposition becomes.

These people live in their own homes, many of them in remote sections of counties. The Red Cross is singularly qualified to reach them because in addition to its chapter, which is generally in the county seat, it has either branches or district organizations extending throughout the county. In that way we get them, because the neighbors know who is suffering; but there is no way in which we have been able to get the facts to find out in advance, even approximately, what number of people will ultimately have to be fed. Many of them have small resources, some vegetables, some potatoes, in the cellar.

Senator PHIPPS. About how far would you go down with your present surplus before you would make a national call to replenish the fund?

Mr. PAYNE. When we got down, I should say, between one and two millions—a million and a half, say.

Senator PHIPPS. Previous calls have been for rather considerable amounts?

Mr. PAYNE. Take our Mississippi flood operations. We knew at once roughly what we had to meet. We had something like 140 concentration camps, sometimes with 20,000 people in a camp. We knew that that meant a tremendous sum of money. We were feeding at one time more than 600,000 people in that way. We increased our call upon the country while the campaign was on, so that the total amount received from that campaign was roughly $17,000,000.

Senator PHIPPS. $17,000,000?

Mr. PAYNE. Yes, sir.

Senator PHIPPS. I had forgotten whether it was ten or twenty million dollars that you started out to get. You started out to get ten millions I believe.

Mr. PAYNE. Yes.

Senator PHIPPS. Then you increased it.

Mr. PAYNE. Yes.

Senator SMOOT. Mr. Payne, I want to call your attention to the condition existing down in Arkansas, as stated by Senator Caraway yesterday on the floor of the Senate. Let me read a few extracts from his statement yesterday, and then I should like you to comment on it; and members of the committee may want to ask you some questions:

> A situation exists which I am sure none of the conferees quite visualized, and the Secretary of Agriculture was not acquainted with it when the position was taken that there should be no loans for the purchase of food. I have in my pocket a letter, which I read this morning, from a gentleman with whom the Senator from Oregon has an extended acquaintance, and for whom I know he has a high regard, in which the writer said that the Red Cross was undertaking to supply $1.15 worth of food to feed a family of three for a month. That is no relief; that is an insult. The Red Cross is not in any position to care for the situation. The Red Cross has never been able to visualize the wide extent of suffering in at least one of the States affected; and I speak for only one of them. As I said the other day, I could fill a volume of the Congressional Record with letters and telegrams coming from men in various walks

of life, from presidents of banks, lawyers, judges of courts, county officials, business men, and farmers, telling of the situation in my State. It is simply appalling. I know they are not misrepresenting it, because all of us have a State pride which makes us shrink from wanting to parade the suffering which exists in our State and our inability to take care of it.

The situation is pressing. There was a demonstration of that fact Saturday when 500 heads of families came into one of the towns of my State, among them women with tears streaming down their faces, begging for food to supply the necessities of life to their children. The Red Cross undertook to take care of the situation by giving to 250 families $2.75 each, and they said they would make some provision for the others.

I do not think anybody would imagine that the distribution of $2.75 to a family without a bite to eat is taking care of the situation. We all know something of the cost of living and we know that the necessity is so urgent that men are willing to band themselves together to go out and insist on their right to live.

Have you heard of that situation, Mr. Payne? And, if you have, what has the Red Cross done?

Mr. PAYNE. I would, with great modesty, say that no such situation exists.

Senator Caraway refers specifically to the coming into the town of England of people from the county of Lonoke, in the State of Arkansas, last Saturday. In the county of Lonoke, which is not very far from Little Rock, we have two Red Cross chapters, one at the county seat. The chairman is a nephew of Senator Robinson. The chairman of the disaster-relief committee is a brother of Senator Robinson. In addition to that, we have another chapter at a town called England, of which a local banker is the chairman. The relief in the chapter at Lonoke has been more active than in England. The national organization has given a contribution of $1,000 to the chapter at England, and has given, as I remember, $1,700 to the chapter at Lonoke.

Saturday morning, for some reason, I have no idea what, 40 persons—not 500, but 40 persons—came into the town of England with some excitement, demanding to be fed.

Senator SMOOT. Did they bring their families with them?

Mr. PAYNE. There were only 40 persons, Senator; and some of them were single men without families. On that very day, as quietly as this committee is now sitting, my information is that that chapter provided food for 500 families, wholly disconnected from those 40 people. Why those 40 people had not received food I have no idea, because they could have gone to either chapter as they pleased; and you all know perfectly well the type of men that I have referred to.

Let me say that people do not understand what the American Red Cross is, notwithstanding all you hear about it.

The whole basis of the Red Cross, besides leadership, is in the chapters. In every county in the United States where there is a chapter—and there is in most counties—it is composed of the best people in that community. The branches are composed of the best people in their smaller communities. They get leadership, direction, and financial assistance when necessary from the national organization, which is here in Washington, or in St. Louis, or in San Francisco.

When you come to feed people, who knows better how to feed them, and whether they are in need, than their neighbors? Who knows better how to deal with people of that sort than their

neighbors? I know of no remedy. If the Government, for instance, should make a large appropriation to be used for food, how on earth would anybody create an organization to administer that relief unless he could get some such organization as the Red Cross possesses?

I think I have said all I can say about the county of Lonoke.

Senator SMOOT. Before the statement I have read to-day, Senator Caraway said this:

> Mr. President, a situation has developed that no one can afford to ignore. The officials of the Red Cross said yesterday they were now feeding 100,000 people in Arkansas and they expected by the first of next month to be feeding 250,000. When they have fed 250,000 they will not have fed more than half of those who are destitute in that State alone. These are not men out of employment; it is not a temporary situation that may be alleviated by employment; but they are farmers, whose chance to repay is dependent upon the crops they shall make. It is not worth while to loan money to people with which to buy feed and refuse to loan them money with which to buy food essential to sustain human life. Of the two, it seems to me to be heartless to say that the Government recognizes its obligation to sustain life in work stock but denies its obligation to take care of starving human beings.

Mr. PAYNE. What is your question, Senator?

Senator SMOOT. The question is, Have you anything to say as to the number of people? Senator Caraway says:

> The officials of the Red Cross said yesterday they were now feeding 100,000 people in Arkansas, and they expected by the 1st of next month to be feeding 250,000.

Senator COPELAND. That is in Arkansas?

Senator SMOOT. This is in Arkansas.

Mr. PAYNE. I do not know how many people we are feeding in Arkansas. Mr. Smith, of my staff, will explain to you what that situation is.

Mr. SMITH (producing map). This is a map prepared with information complete through December 31. It shows three items:

The blue pins show the communities in which seed was distributed through the Red Cross chapter, financed in part through local contributions, as Judge Payne has explained, and in part through money furnished through the national organization.

The black pins show the communities in which other relief has been furnished since that time—food, clothing, and such items—through funds supplied by the national organization.

The red pins show those communities in which similar relief has been supplied, but wholly through funds supplied from the chapter or from donations given to the chapter.

Senator SMOOT. By "national organization" do you mean the national organization of the Red Cross?

Mr. SMITH. Yes, sir. The whole thing is the National Red Cross.

Mr. PAYNE. Which is Arkansas?

Mr. SMITH. Arkansas is right here [indicating on map]. It gives a graphic picture of the extent to which those communities are being dealt with by the Red Cross.

Senator COPELAND. Is the number of persons involved as much as 100,000?

Mr. SMITH. That would be roughly twenty or twenty-five thousand families in Arkansas, and I think it would not be too high.

Senator BRATTON. Judge Payne, Senator Smoot has just read the statements made by Senator Caraway on the floor of the Senate yes-

terday as to the incident which occurred at England last Saturday. My recollection is that the Associated Press stated that 500 people did storm the town. Your statements this morning are not in accord with those facts, which prompts me to ask what are the sources of your information relating to the general situation in Arkansas, and particularly the situation in Lonoke County?

Mr. PAYNE. We have how many people in Arkansas—the National Red Cross?

Mr. SMITH. Fifteen or twenty.

Mr. PAYNE. I referred in my statements to perhaps 75 people from the national organization visiting the different drought States. I am advised here that 15 of those are in Arkansas. Henry M. Baker, one of our oldest and most experienced men, was sufficiently near to England to arrive there the very same day that these people are said to have come, and he stayed through and saw that everybody was served. Yesterday we had Mr. Baker on the telephone. In the first place we had a telegram, but I wanted more details; and he stated first that only 40 people came into the town as described in the press, but that in the normal procedure something like 500 people were given supplies.

Senator COPELAND. In the same town?

Mr. PAYNE. Oh, yes; in the same town. It is not very unnatural, therefore, that the Associated Press might have coupled the two numbers together. That is my inference, however. Mr. Baker is thoroughly reliable, and that is the information that he gave me from the town of England.

Senator BRATTON. Judge Payne, give us your best judgment as to what money will be needed to meet this situation in a reasonably adequate way during the remainder of the winter months.

Senator COPELAND. Nationally?

Senator BRATTON. Nationally.

Mr. PAYNE. That is a very difficult and almost impossible question to answer.

Senator BRATTON. I understand. I merely ask for your best judgment on the subject.

Mr. PAYNE. I stated in my first statement, and also in response to Senator Phipps, the amount of money that had been used. Last night I got the figures that we had given out since the 1st of January, which indicate to me that the demands may be more acute. From January 1, through January 5, the Red Cross national organization has made cash grants of $135,255.30 to its chapters to assist them in meeting the needs of the drought sufferers. Our feeling has been, and I so advised President Hoover perhaps six or eight weeks ago, that if we are permitted to proceed in our normal way—that means without excitement, it means without clamor—we might get through the winter with our present resources.

Senator BRATTON. That is to say, about $4,500,000 now on hand?

Mr. PAYNE. Yes.

Senator BRATTON. Is that your feeling now, Judge Payne?

Mr. PAYNE. Yes.

Senator COPELAND. Judge, I have implicit confidence in you and your organization; but when I realize that in our city of New York we have just raised $8,000,000 for relief in the city, it seems difficult

to understand how the whole country outside of the city could be taken care of with $4,000,000.

Mr. PAYNE. Senator, you have a wrong notion about the Red Cross. We are not undertaking to deal with the big cities, because in every big city they have either a community chest or an Associated Charities, a Salvation Army, and perhaps other agencies, busy at this job.

We have, therefore, not attempted directly or indirectly to operate in the big cities. I advised President Hoover that it was no longer possible to speak about it as employment or unemployment, from our standpoint, but as almost a question of rural and urban, because the big cities—that includes cities that are not considered very big cities—have all of these different agencies to deal with their local unemployment problems. The Red Cross may well keep out. But, in the country and in the small places, running up into several thousand, even as high as 20,000, depending on whether there are or are not local agencies. For instance, at Birmingham, Ala., they have almost nothing except the Red Cross, where we are working, but generally speaking we stay out.

Senator COPELAND. Well, of course, judge, you understand that I make no plea for my city.

Mr. PAYNE. No. I am just illustrating that, with all cities.

Senator PHIPPS. What you have expended up to date has practically been raised almost wholly by counties, or towns, or States?

Mr. PAYNE. Let me give you one little illustration of that, Senator Phipps. I can not give you the name of the county, because it does not come to me. But, there was a county in Mississippi, where we had a very good Red Cross chapter, and an ex-judge was at the head of it, a fine man.

Well, he sent us a most appealing request, and we sent one of our expert men right straight down there, and they sat down and talked, and the judge told him what they needed.

He said, "Yes, but what have you done locally? What have you tried to do?"

Well, he said, "We have not done much."

"Well, but," our representative said, "do you not realize this is really a local matter? You know these people. They are your friends and your neighbors. We are expecting you to deal with the situation to the extent of your resources." And, that is the policy of the Red Cross.

Well, at the end of the conversation, the result was that they raised $3,700 in that county, and the judge himself said that he had perhaps been remiss, he had intended to give $100 and had not given anything. He shelled out his hundred. And, that is what is happening.

The CHAIRMAN. And, is that taking care of the situation in that county?

Mr. PAYNE. For the time; for the time.

Senator COPELAND. Well, Judge, if you will bear with me for a minute. I can visualize the situation in my own community. We are asking for no relief, but a week ago last Sunday I saw 9,000 men in line to get beef stew, four slices of bread, and some coffee. Of course, that goes to the heart. We feel that it is important. We are taking care of it, Judge.

But, our city felt it necessary to raise at least $8,000,000, and did better than that.

Well, now, if we need $8,000,000 in a great rich city like ours, to take care of the people, it would seem to me—of course, I am not setting up my judgment against yours—that you ought to have available more funds than you have for these rural sufferers.

The thing I have in my mind, and I have no doubt that it is in the mind of every Senator, is that we want the Red Cross to have all of the money it needs to do this work, as you feel it ought to be done.

Now, if you think it can be done with the $4,000,000 that you have, God bless you. I am glad. I would like to see you have larger reserves.

Mr. PAYNE. I do not say that we can get through on four and one-half millions, but I say, if we get toward the bottom of the barrel, we will yell.

Senator BRATTON. You are prepared to expend that, if the demands are received?

Mr. PAYNE. Absolutely.

Senator BRATTON. Judge, you have told us this morning that you are not operating in the cities. What can you tell us as to how sufferers in the cities are being cared for?

Mr. PAYNE. I really can not tell you much, because we have not gone into the cities, for the reasons I have stated.

Senator COPELAND. You mean, how do you find out where the sufferers are?

Senator BRATTON. As to how they are being cared for now.

Senator SMOOT. They have county chapters.

Senator BRATTON. I understand, but I want to get information as to how it is done. Do you have adequate sources of information?

Mr. PAYNE. So far as we know.

Senator BRATTON. To what extent have rural sufferers gone from the drought-stricken areas into the cities?

Mr. PAYNE. Not much that we have any information of.

Senator COPELAND. We find in our community, that we locate the sufferers through the schools. Our teachers are organized, and in that way we find out through the schools where the suffering is. But, there is not any question about the suffering. That is true in my city, in spite of the liberal appropriations and gifts.

We were all much distressed yesterday by what Senator Caraway said, and what others have said, but the thing that we want to be sure of is that you have money enough.

I suppose that you would not refuse a liberal appropriation from the Government, if it saw fit to give it?

Mr. PAYNE. We have never asked for a cent from the Government.

Senator COPELAND. You would not ask for a cent?

Mr. PAYNE. We never have.

Senator COPELAND. You would not refuse it?

Mr. PAYNE. Well, if a man is tendered an office, then he can say whether he will accept it or not.

Senator COPELAND. If your organization is the best situated, as you have stated, to carry on this work, you can not carry it on without funds.

Now, if the localities, even the rich localities, like mine, have been milked to get funds for the locality, for local aid, it may well be that to carry on your work sufficiently through this emergency you may need more funds than you can get through public appeals?

Mr. PAYNE. Surely.

Senator COPELAND. Has the Red Cross ever received funds from the Government?

Mr. PAYNE. Never.

Senator HAYDEN. There has been this situation, though, that in the case of the Mississippi flood disaster, and elsewhere, the American Red Cross has been furnished material and supplies by the Army in very substantial amounts, for which afterwards the Congress reimbursed the War Department?

Mr. PAYNE. Yes, sir.

Senator HAYDEN. And that has amounted to large sums of money?

Mr. PAYNE. I do not remember the figure, but very considerable figures.

Senator HARRIS. The people have never failed to respond for whatever you have asked for?

Mr. PAYNE. Never.

Senator HARRIS. Without any question, whenever you have asked for it?

Mr. PAYNE. They have never failed.

The CHAIRMAN. I think, Judge, you feel that you now have an adequate amount of money available to take care of and carry out anything that you will have to take care of in the immediate future?

Mr. PAYNE. Yes. I had a letter from a Congressman yesterday morning asking me the question, and I replied, as long as it lasts, we have enough.

Senator SMOOT. And you think there is no question but that you can get more when you need it?

Mr. PAYNE. We do not have any doubt about it.

Senator PHIPPS. I would like to say, that my idea as to what should be in the reserve, would be a little higher than you think. I would say, when it gets down between two and two and one-half million dollars it would be time to make another call, and I think that you will get an immediate response from all over the country.

Mr. PAYNE. I have felt, Senator, that we ought not to ask it when we have a considerable sum. We want to keep this in mind, and we want the people to realize that when they are giving us something, that we need it; but we will not let the barrel reach the bottom.

Senator PHIPPS. Well, you state that you always have found that the people will respond in emergencies.

Mr. PAYNE. That is true; and we feel that they always will.

Senator HAYDEN. Judge Payne, I am in receipt of telegrams and other information from the State of Arizona setting out a situation that I believe is peculiar to the Southwest. I would like to know if this problem has ever been brought to your attention, and that is the inability of the local communities to take care of the so-called transient unemployed.

I have a telegram reading:

CASAGRANDE, *January 3, 1931.*

Senator CARL HAYDEN,
United States Senate, Washington, D. C.:

Machinery of local charitable and social organizations inadequate to cope with transient unemployed. Local unemployment can be relieved, but no funds available for relief of transients. Urge your support requesting President Hoover designate American Red Cross official channels for relief of transient unemployed. Also request your support urging that national funds be made available in this emergency.

E. G. LAVERS,
President Chamber of Commerce.

The situation in the Southwest, so far as transients are concerned, is as follows:

All of the transcontinental highways north of Arizona are closed by the snow or at least by cold weather. Therefore, anyone seeking to avoid the cold by traveling into New Mexico and Arizona and southern California uses our highways. The entire traffic of the United States is diverted into that channel as through a funnel. People start out with some funds to make the trip. They meet with an accident to their machines on the road, or something happens. I was in the city of Douglas, in southeastern Arizona, last October and met a member of the Cochise County Board of Supervisors, who advised me on that day the county authorities had provided food and gasoline and oil to aid families who had arrived in destitute circumstances. The county did that for them.

He stated that it was better for the county to furnish food, gasoline, and oil, for these transients to move on, because if they did not that they would be there on the county. The supervisor said that they hoped to move each family at a cost of about $3. They gave each person in the car a full meal and an order to buy gasoline and oil, to enable the family to go on.

That situation is very much accentuated at this time, because the weather has grown colder and it will continue through the winter and throughout the State.

I would like to have included in this record some of the telegrams and letters I have received, showing that this condition exists.

They say that they are able and willing, through their own community chests and Red Cross organizations, to take care of all of the local unemployed, but can not support the hundreds, and even thousands, that are pouring in upon them from other States.

Senator SMOOT. Senator, where are they going?

Senator HAYDEN. Traveling from one part of the United States to seek employment in another; trying to get out of the places where they are, and come down to the Southwest. Irrespective of their motives, whatever they may be—we can not go into that—but the fact is that unemployed Americans are traveling by automobiles in thousands on the highways at this time.

Senator BRATTON. Some are going West and some are coming East?

Senator HAYDEN. Yes.

Senator SMOOT. An automobile is a pretty expensive thing to maintain.

Senator HAYDEN. I would like to ask Judge Payne what he knows about the situation I have described, or what the American Red Cross has done to meet it.

Mr. PAYNE. I know that your statement is true. I do not know anything about the number of people, but I know that your statement is justified by the facts that we have received that there are such people, and to a very considerable extent the Red Cross chapters have helped them. It is not a matter that we have made any special provision for. We have just treated that like anything else and, of course, they have found a number of difficulties out there. It is quite the same thing that we have, only it is different.

Senator HAYDEN. It is perfectly obvious that a small community, struggling as it is to take care of its own, can justly feel that this additional duty of supporting transients in whom they have no local interest, should not be imposed upon it.

I have met with this argument, made to me by Colonel Woods's committee, that if National aid is extended to the local authorities in Arizona to care for this situation and it becomes known throughout the United States, instead of improving our local situation it will become worse, because transients will get into their automobiles and go to the Southwest to obtain prompt relief. Therefore, we are told that National publicity must be avoided, that such form of relief can not be advertised, because one can travel a long ways in the United States in a week in an old Ford car, and many people own them.

It is a most unusual situation, and I am anxious to know just how much thought your organization has given to it.

Mr. PAYNE. We have not really considered it, because it has not come to us in any direct way. I have heard of the fact that that condition exists.

Senator HAYDEN. I might add, perhaps it did not come to your attention, or has not come to you yet, but I have taken this situation up with officials in the Washington office of the American Red Cross and they have requested your San Francisco regional office to make a prompt and thorough investigation into the extent of the transient unemployment problem in Arizona. The facts when ascertained by your own representatives, will undoubtedly be brought to your attention. That study is in progress at this moment.

I submit these letters and telegrams for the record.

(The telegrams and letters above referred to are as follows:)

MESA, ARIZ., *December 24, 1930.*

Senator CARL HAYDEN,
Washington, D. C.:

Believe indigent transients should be handled by national funds through American Red Cross. Arizona having all they can do to handle local unemployed situation. Indigent transients increasing.

C. B. FLYNN,
Secretary Mesa District Chamber of Commerce.

SAFFORD, ARIZ., *December 26, 1930.*

Senator CARL HAYDEN,
Washington, D. C.:

Transient unemployed people serious problem here. We indorse telegram Arizona State Unemployment Committee to Col. Arthur Woods, chairman President's emergency committee on unemployment, suggesting President designate Red Cross handle transient problem.

GRAHAM COUNTY CHAMBER OF COMMERCE.

TUCSON, ARIZ, *December 26, 1930.*

Hon. CARL HAYDEN,
Washington, D. C.:

We are in full accord with State committee on unemployment securing national aid to meet indigent transient problem in Arizona. Referred to Col. Arthur Woods, and enlist your cooperation.

RUCKER,
President, Tucson Chamber of Commerce.

KINGMAN, ARIZ., *December 24, 1930.*

Hon. CARL HAYDEN,
United States Senate, Washington, D. C.:

Over 50 per cent of Mohave County's labor is unemployed, but the transients flocking from all quarters makes situation two-fold serious. Any publicity or other action which will keep transient from our midst will be greatest relief we can enjoy.

L. V. ROOT, *Secretary.*

YAVAPAI COUNTY CHAMBER OF COMMERCE,
PRESCOTT, ARIZ., *December 22, 1930.*

Hon. CARL HAYDEN,
United States Senator, Washington, D. C.

DEAR SENATOR HAYDEN: You, of course, are thoroughly familiar with the fact that Arizona is faced with a serious unemployment situation. This applies directly to its own residents and is greatly added to by the problem of the transient. Attracted by the desirability of the climatic conditions of the Southwest, thousands of transients are coming to Arizona with the expectation that work is plentiful.

Dr. John W. Flinn, State chairman of the unemployment committee, has already contacted Col. Arthur Woods respecting the seriousness of this question. He has agreed to give national publicity urging that transients stay away from Arizona unless they are financially equipped to take care of themselves. The serious problem is the feeding and housing of transients, which is nothing short of a national disaster.

This question is directly a national one and should be considered equally as important as anything that has happened to our country. Doctor Flinn's committee has requested that national or Federal assistance through the American Red Cross be given to the situation, which is undoubtedly much the same in the other States of the Southwest.

We are urging you to give this matter your immediate attention in order that the situation may be helped.

Thanking you, we are

Sincerely,

LESTER RUFFNER, *President.*
GRACE M. SPARKES, *Secretary.*

Senator BRATTON. Judge, the same situation exists in Southern New Mexico and should be given attention. Will you keep that in mind?

Mr. PAYNE. Yes.

Senator COPELAND. Judge, I am embarrassed in the questions that I am asking, because I hesitate to say anything that would give the impression that I do not have the fullest faith in your organization, because I have.

Mr. PAYNE. Please do not hesitate to ask any questions you wish to.

Senator COPELAND. Thank you. Now, Mr. Smith said in Arkansas there are at least 100,000 persons who need this assistance.

Mr. PAYNE. Now, Senator Copeland, I do not have any exact information as to the number of persons. That would be just a guess.

Senator COPELAND. And that is true, I suppose, over the country generally.

Mr. PAYNE. Except, as I have read you statistics, I do not have any information on that.

Senator COPELAND. Of course, if we have 1,000,000 persons in this country who are in need of relief, that would be only $4 a person, that is, if your entire fund is used. That is the thing that makes me feel that we perhaps—I would not say that we are belittling the situation—but, perhaps we fail to appreciate the situation.

My judgment is, from what I have seen with my own eyes, that you need a lot more money than you have. It is not for us to say how the Red Cross will raise its money, but this fact remains, that we are charged with the responsibility of seeing to it that your agency, or some agency has abundant money to do this work.

Senator SMOOT. Senator, you must admit that the Red Cross is the best organized organization in the United States to handle this situation.

Senator COPELAND. I do.

Senator SMOOT. So far as I am personally concerned, I would like to see whatever money we appropriate placed in the hands of that organization to be expended.

Senator COPELAND. I have in effect said that.

Senator SMOOT. And I have confidence enough in the Red Cross to say that every dollar of it will be expended justly and where it is absolutely needed, and do the most good.

Senator COPELAND. Well, Senator Smoot, I do not think that you quite got the full force of my apology to the judge. I want to indorse what you say. If I knew what it meant, I would say that I doubled it, but you and I would not understand that. But I do want the Red Cross to have, because I have confidence in it, and having the confidence I do, I want it to have all of the money it needs, and if it can not get it by an appeal to the country, I want the Congress to put the money in the hands of the Red Cross.

Senator SMOOT. You and I do not disagree at all.

Senator COPELAND. But, the thing that I think we ought to bring out at this hearing is how much money we need, and if the Red Cross does not have ample funds, then I think that we should amplify that.

The CHAIRMAN. Judge Payne, as I understand it, you have about four and one-half million dollars?

Mr. PAYNE. Yes.

The CHAIRMAN. That is used, as I understand it, simply to supplement the needs of the local organizations and is in addition to what the local communities have contributed themselves, so that this four and one-half million dollars is not the total amount at all that will be used in this relief work. Also, under the direction of the Red Cross, the local chapters will get local contributions and local money, and you will supplement that out of the general treasury?

Mr. PAYNE. Yes. As much money as we have used from the national organization has been raised locally.

Senator COPELAND. But, Mr. Chairman; you see what I have in mind?

The CHAIRMAN. Yes.

Senator COPELAND. When, in my city, we have raised $8,000,000 for one community, even though it is such a big one, I can not understand how our whole country, rural sections, sections where they are helpless, where they are not able to donate as generously as our people have—I can not see how they could get along.

The CHAIRMAN. Judge, can you give us any idea as to about the amount of money that has been contributed, distributed and used under the general direction of the Red Cross so far? I do not mean out of the general treasury, but do you have any idea as to the aggregate contributions by the various localities?

Mr. PAYNE. You mean for this work?

The CHAIRMAN. For the relief work.

Mr. PAYNE. Well, it is in excess of $1,000,000; what we have used of our own. I mean, the National, and what has been raised locally.

The CHAIRMAN. Do you think that a million dollars would cover the local amounts?

Mr. PAYNE. Now, you can not get that accurate information to save your life.

The CHAIRMAN. I know that you can not get it accurately.

Mr. PAYNE. But we have got that much information. That much has been reported to us. But it so often happens that no reports are made whatsoever. A poor farmer in a community is suffering, we will say, and a fairly well-to-do farmer finds it out. He just sends over corn, and whatever they need. Now, those we do not get any account of at all.

Senator SMOOT. Mr. Payne, as chairman of the Red Cross, do you believe that your organization, if provided with the money, can reach all of the needy ones in every section of the country?

Mr. PAYNE. If it is humanly possible for them to be reached, we can reach them. Some people have such pride that they conceal their conditions, but our avenues of approach are such, it seems to me, that they are adequate.

Senator SMOOT. Better than any other organization we know of in the United States.

Senator BRATTON. Do you keep a record of information as to changed conditions or new conditions due to changes?

Mr. PAYNE. As to localities?

Senator BRATTON. Yes.

Mr. PAYNE. Yes.

Senator BRATTON. Judge, one question in particular. By this resolution we are directed to elicit from you such information as you have relating to conditions in the cities and towns of the country caused by the economic depression and resulting unemployment. What can you tell us about that?

Mr. PAYNE. I really should not try to tell you anything, because I am not qualified.

Senator BRATTON. Judge, is there anybody connected with your organization, anybody connected with this work, who can give us that information?

Mr. PAYNE. No; it would not be of value, because we have not, as I have previously stated, made that our task.

Senator COPELAND. Will you pardon me? Senator Smoot just read a statement made by Senator Caraway in which the Senator stated that somebody had written him, "that the Red Cross was undertaking to supply $1.15 worth of food to feed a family of three for a month."

Well, now, are these gifts of the Red Cross as little as that?

Mr. PAYNE. Thank you very much, Senator, for asking me that question. The national organization of the Red Cross has not pre-

scribed any ration; has not fixed any limit as to the amount that the people shall receive. That is all left in the hands of the local chapters, and the local chapters, as I have explained, are composed of neighbors and friends of the sufferers, and I think it may be confidently stated that they do not treat people with a lack of consideration when they are their neighbors and their friends.

Senator HAYDEN. Well, how can figures of that kind be arrived at, $1.15 per person?

Senator COPELAND. Per month.

Mr. PAYNE. Well, I could sit here and make up a lot of figures if I tried hard enough.

Senator HAYDEN. Well, I am really asking seriously.

Mr. PAYNE. I don't know.

Senator HAYDEN. Could it be this, that they divide the amounts of money sent from the national organization to Arkansas, by the number of people who were in need?

Mr. PAYNE. Well, I do not know. This is the way we do it, and that, perhaps is the best answer: The national organization in a given case making grants to a chapter makes no limitations, as I said, whatever. We are satisfied from the information that we get that the chapter needs money, we send them $1,000 or $2,500, or whatever the situation may seem to require.

Now, the sufferers come in and they go either to the chapter or to the branch and they state their needs and the person dealing with them hears the story, gives them a written order on a store in the community where they live specifying broadly, flour, meat, potatoes, whatever they say they would like, within reasonable limits, of course, and they take that order to the store, and it is filled and at the end of the month the total amount of the purchases at that store are submitted in the form of a bill to the chapter and paid.

Now, that is what happens every day.

Senator HAYDEN. So that there could be no fixed amount?

Mr. PAYNE. No.

Senator GLASS. Well, I noticed in the papers this morning a telegram from the Governor of Arkansas in which he very definitely states that the Red Cross and the State agencies are not only willing but entirely capable of taking care of every case of suffering in the State.

Senator COPELAND. But, with the same apology that I made before, is the Red Cross holding to the fetish to the extent that it would not accept, or does not desire to accept, money from the Government, that it prefers to continue its efforts under the former system? Let me apologize before answering this.

Mr. PAYNE. No. I have no hesitation about answering any questions.

Senator COPELAND. I do not want to be offensive.

Mr. PAYNE. No offense at all.

I want to say this: The governing board of the Red Cross is the central committee, and that is composed of 18 persons. Six are appointed by the President of the United States, including the chairman; six are elected by the chapters; and six by the board of incorporators. Now, there can be no answer to that question which will bind the Red Cross, unless it comes from the central committee.

I would say about that question, just as I said when some people wanted us to take the gold-star mothers to Europe.

If the Congress of the United States should say that they want the Red Cross to do something, we would do it.

Senator SMOOT. Well, that answers the question.

Senator GLASS. But not in the shape that I would call the policy a fetish.

Senator COPELAND. Well, you did not hear the early part of the testimony, Senator, or you would understand why I asked the question.

Senator HAYDEN. Judge Payne, there would be this phase of it that would have to be considered: If your organization has been maintained by voluntary contributions and has received no assistance from the Federal Government, except the loan of Army supplies, and afterwards Congress appropriated money to reimburse the War Department, if that has been your policy in the past, and it has operated well, the question comes up as to whether the emergency is such now that you can not obtain funds from the usual source, and whether you should ask the public generally to contribute before Congress does anything. It will affect the future of the Red Cross in this respect, that if Congress adopts the policy of making appropriations in an emergency such as this, in the future will the public contributions come to you as they always have, or will the public generally say, "Let Congress make an appropriation, and let the Red Cross administer the disbursement of the funds"?

Mr. PAYNE. The theory of Congress, when it passed the bill in 1905 incorporating the Red Cross, was that it was strictly a voluntary organization and we have adhered to that, and I have repeatedly stated in public statements that that was the fact, and that we have never been assisted by the Congress of the United States, except as you have explained. Of course, that is all I can say about it. It seems to me that it is best, as a question of public policy, that it should remain a purely voluntary organization; but that is my opinion.

Senator GLASS. A pretty sound one.

Senator COPELAND. Well, I can quite understand that, because if the public came to believe that the Government is going to throw a lot of money into the chest of the Red Cross, on occasions such as this, then the public would say, "Let the Congress do it."

Senator SMOOT. Not only in this case but in the future.

Senator COPELAND. But my judgment about this case is that it is so extraordinary and so different that if the Government is going to do anything in any way to relieve it, it might be better to do it through your organization than some other way. For instance, the Senate voted $15,000,000 to add to the agricultural appropriation bill, and, as I understand it, that is to be agreed to by the House, and it would mean that the Agricultural Department would be lending money for food, as well as for the feeding of stock, and for seed, and so forth. I would much prefer, if we were to give the $15,000,000, or whatever that fund is to be, that it should be given to the Red Cross, but I would want to do it in such a way as not to embarrass the Red Cross in its future appeals or interrupt its historic policies.

The CHAIRMAN. I think I understand your position; but I am going to ask for a direct and concrete answer to the second question raised here, whether the American Red Cross can provide adequate relief to all needy persons in the future. Can you give me as correct an answer as possible?

Mr. PAYNE. It is our conviction, with the funds now available, and with such funds as we will be able to obtain from public contributions, everything and when necessary; yes.

The CHAIRMAN. That is the question I had. Now, Senator Bratton, you wanted to ask a question?

Senator BRATTON. Judge Payne, there is another phase of this inquiry. Have the local chapters in cities called upon your organization for aid in the unemployment relief program?

Mr. PAYNE. No, Senator.

Senator BRATTON. You have had no such calls?

Mr. PAYNE. No.

Senator BRATTON. You are not participating in that kind of relief.

Mr. PAYNE. No; not in the cities.

Senator BRATTON. Not in the cities?

Mr. PAYNE. We make no distinction in the country.

Senator BRATTON. In the country?

Mr. PAYNE. No; in the small cities, in the small places.

Senator BRATTON. But, you are taking no part in relief itself, other than furnishing food to those who need it by reason of being unemployed?

Mr. PAYNE. In the cities.

Senator BRATTON. In the cities.

Mr. PAYNE. No, sir.

Senator BRATTON. If there is that sort of relief—in other words, if that kind of relief is contemplated under the second paragraph of this resolution, whether the Red Cross can provide adequate relief of all needy persons in such States, you have not undertaken that phase of relief?

Mr. PAYNE. We have not.

Senator COPELAND. I assume that the Red Cross operates in the rural sections and remote sections of the country, the same sort of work for the poor as the charity organizations in the cities do. Is that not correct?

Mr. PAYNE. Well, I would not quite agree to that statement, because in the first place, when the Red Cross grants relief, it treats the people more as individual persons.

Senator COPELAND. Human beings?

Mr. PAYNE. Well, I do not want to disparage anybody's efforts, but you see our administration is given by the neighbors.

Senator COPELAND. Well, is not there a weakness to that, Judge, that one neighbor hesitates to admit to another neighbor the conditions that exist?

Mr. PAYNE. Well, they find it out, I think.

Senator HARRIS. Mr. Chairman, of course the $15,000,000 referred to is an entirely different proposition. That will be where the farmer gives a mortgage on his crops for them to get started. The Red Cross does not attempt to help in cases like that, and I consider them entirely separate, and Doctor Warburton stated yesterday that they paid back 75 per cent of all of their loans that were

made last year and the year before. I do not consider that that relates at all to the Red Cross work. I do not think that they could be expected to do that.

Senator SMOOT. That is an entirely different thing.

Senator HARRIS. Separate and distinct entirely.

Senator BRATTON. Judge Payne, does the Red Cross furnish medical aid in these rural communities?

Mr. PAYNE. No, and yes. In many rural communities we have public-health nurses. It, of course, does not in a technical sense furnish medical aid, but it does furnish the nursing aid.

Senator BRATTON. You do not furnish the services of physicians?

Mr. PAYNE. No, sir.

Senator COPELAND. They contribute that?

Senator BRATTON. To what extent have the farmers throughout the stricken areas been compelled to sell their livestock?

Mr. PAYNE. Oh; I think that that has happened in a good many places.

Senator BRATTON. Including their horses and mules, used for farming purposes?

Mr. PAYNE. I do not have accurate information about that, but I know this: Take for instance the Shenandoah Valley, which is normally a very rich section of the country, but probably because of the geological structure of the country there they suffered perhaps worse than any other section of the United States. At least, that is what Secretary Hyde's opinion was when he made a survey.

Now, they had to sell—I do not know how closely—but very much of their livestock, because they literally had no grass.

Senator BRATTON. Did that include their work stock?

Mr. PAYNE. Senator, I do not have accurate information about it. But, I know there was much of that going on.

Senator GLASS. Well; they could not be any worse off, Judge, than the Piedmont district.

Mr. PAYNE. I am a farmer in the Piedmont district of Virginia, and I had 70 acres of excellent land in corn. I did not gather a bushel, not a bushel, and that was up here at Warrenton.

Senator BRATTON. If the farmers in the drought-stricken areas have been compelled to sell their work stock, which may be needed to start their crops in the spring, would your organization make any provision to supply such stock?

Mr. PAYNE. We have not yet.

Senator BRATTON. Do you contemplate doing that?

Mr. PAYNE. Well, I hope we won't reach that question, but we would if it became necessary.

Senator BRATTON. If it became necessary.

Mr. PAYNE. In case of disaster, such as we had happen as a result of the floods in the Mississippi Valley, we did.

Senator BRATTON. You did in that instance?

Mr. PAYNE. Oh, yes; but I hope that that is not true, because I do not suppose that it is. It has not come to us.

Senator COPELAND. Judge, do you think that it would be damaging to the future appeals that might be made by the Red Cross if we were to supplement your funds?

Mr. PAYNE. I think you are more closely in touch with the public opinion than I am.

Senator COPELAND. Well, of course, my opinion is that it would.

Mr. PAYNE. That is one reason that I hope that it would not be necessary.

Senator COPELAND. A State university depending on the State legislature for appropriations is always damaged if some rich alumnus gives it $1,000,000, because that means that the State will give $1,000,000 less. I suppose looking at it the other way, if we were to contribute, or if we contributed to the Red Cross, it would hurt their future appeals.

Mr. PAYNE. I think it would.

Senator BRATTON. Judge, one further question: Are school children being kept out of school in the drought-stricken areas?

Mr. PAYNE. We have had appeals from communities with reference to that and have granted relief where that question has come to us.

Senator BRATTON. What kind of relief?

Mr. PAYNE. Seen that the families were fed and provided for, so that the children could go to school without going hungry.

Senator BRATTON. To what extent have you received such requests?

Mr. PAYNE. Not very extensively.

Senator BRATTON. Do you recall the area from which they came?

Mr. PAYNE. No, sir.

Senator HAYDEN. Your general purpose is to support your local chapters or some local organization?

Mr. PAYNE. Well, local chapters. We do not deal in this sense with other organizations. If we do not have a chapter at a place we say to the people, "Organize your chapter and then we have got somebody to deal with." For instance, I was making a visit down at Falmouth and visited a very fine family there. The lady saw me and said, "There are a good many people in this county who need assistance."

"Well," I said, "have you a Red Cross chapter?"

"No."

"Well," I said, "the first thing for you to do is to organize one and do it quickly, and then let us know."

I went down there again and, within perhaps six weeks, and they had the chapter, and things were in good condition and everybody in the county as far as they knew had been fed, that needed to be, and one local person had made a contribution of $2,000. That was all to feed the people.

Senator HAYDEN. You mentioned a moment ago the situation at Birmingham, where they have no local organizations to care for these matters. I am advised by one Congressman from Alabama that they had a community chest, raised funds for it, but turned it over to the Red Cross for disbursement.

Mr. PAYNE. What I meant was that they had no local charitable organization in the city except the Red Cross.

Senator HAYDEN. And they are actually disbursing the money?

Mr. PAYNE. They are actually disbursing the money.

Senator HAYDEN. Although they had raised the funds by a community chest to be used for that purpose?

Mr. PAYNE. Yes.

Senator BRATTON. Judge, you told us a while ago that your organization had supplied the chapter at England, Ark., with $1,000. Has that chapter requested any additional money?

Mr. PAYNE. No, Senator.

Senator COPELAND. Judge, is there any hesitation on the part of the Red Cross to make an appeal at this time for funds, because of the moral effect it might have—that is, the psychological effect—in emphasizing the situation?

Mr. PAYNE. No. The reason we do not want to make it now is because we are not in need of it.

In view of the statement that I have made to you here this morning, if I would go outside and ask for money contributions, you would laugh at me.

Senator COPELAND. Would you not sleep better at nights if you had ten or fifteen million dollars in the treasury?

Mr. PAYNE. I might.

Senator SMOOT. But, the Judge thinks that he can get it when he asks for it.

Senator COPELAND. The thing that has impressed me is that judging from the cross section of the country that I see, $4,000,000 would not be a flea bonnet. That is the thing in my mind. If the Judge, in whom we have great confidence, says that $4,000,000 is enough to feed the hungry people of the country, all right. It is his responsibility.

Senator SMOOT. That is not all that is available.

The CHAIRMAN. Furthermore that $4,000,000 is supplemented by local contributions, in a very large proportion.

Senator COPELAND. Yes; but those local contributions, those large local contributions to relieve suffering, are not reported to the Red Cross.

The CHAIRMAN. It is under the direction of the Red Cross, very largely.

Senator COPELAND. Well, we have raised $8,000,000 that the Red Cross has nothing to do with.

The CHAIRMAN. They are not dealing with these cities and towns.

Mr. PAYNE. You know I do get a little money once in a while, Senator. I went to the White House on New Year's Day and fell in with a gentleman that you all know, and he asked me how we were getting on, and I had a little talk with him. Yesterday morning, or the day before, I had a check for a thousand dollars from him.

Senator COPELAND. Well, Judge, if you will take it from me in good part, I say that you are in imminent danger of having some money thrust upon you by the Government, and my advice to you is, make your appeal to the public and replenish your funds. That is all in good part. Make it, and make it now.

The CHAIRMAN. Judge, is there any additional information that you can give us that you have not already given us as to the drought conditions throughout the country?

Mr. PAYNE. No. I apologize for having said so much.

The CHAIRMAN. I suppose that we will not need to request the judge to come back. If we do need him, we can call him.

Mr. PAYNE. If there is anything that you want, if I can furnish it, I will be glad to do so.

Senator COPELAND. Let me renew my apologies to you.

Mr. PAYNE. No apologies are necessary on your part, Senator.

Senator PHIPPS. Judge, if you think of anything that you think might be of interest to us along this line and this relief, will you communicate it to us?

Mr. PAYNE. Yes, sir.

The CHAIRMAN. The committee will meet this afternoon.

The committee will be adjourned until two-thirty this afternoon. I might not be able to be here. We will have Mr. Wetmore come up, and Mr. MacDonald is here. He has to go to New York. We will also want to hear the Chief of Engineers.

(Thereupon, at 11.50 o'clock a. m., a recess was taken until 2.30 o'clock p. m. of the same day.)

AFTER RECESS

(The committee reassembled, pursuant to the taking of a recess, at 2.30 o'clock p. m.)

The CHAIRMAIN. The committee will come to order.

STATEMENT OF JAMES A. WETMORE, ACTING SUPERVISING ARCHITECT, AND L. C. MARTIN, ASSISTANT TO THE ASSISTANT SECRETARY IN CHARGE OF PUBLIC BUILDINGS

The CHAIRMAN. Mr. Wetmore, I put your letter in the record that you wrote me in response to my request to the Architect's Office.

I think that there are some members of the committee that want to ask you some further questions, and Senator Harris, I think that you want to interrogate Mr. Wetmore.

Senator HARRIS. Mr. Wetmore, the reason that I am interested in this particular matter is because of my experience with your department about the Atlanta public building. I have talked to you a dozen times, or to your offices, and Senator George did the same thing. He told me just now, that he has talked with your office more times than that, and we have urged that an outside architect be selected so as to hurry the business, hurry the construction of the building, so as to relieve the unemployment situation.

Mr. WETMORE. That has been done.

Senator HARRIS. Yes; I know it has been done, but it was done after the undersecretary came before the Commerce Committee, and I got him interested in it, and it was never done until then.

Now, what I would like to know is, Congress is trying to speed up this work, and what I am afraid of is that you are trying to do too much work with your own regularly employed architects, and not getting outside architects and, as a result, in these different cities you are delaying the construction program and thereby not relieving the situation; and I would like to know how many buildings you have under construction, how many architects you have upon them, and how many outside architects you have employed, and how many you propose to employ.

Mr. WETMORE. I can not tell you how many we will employ. I can give you information as to those who have been employed, but perhaps to allay your fears, somewhat, I may say this, that for some time the office has been turning out buildings every two and one-half days ready for contract and commencing with December

and running, anyway, to the end of March, for the 24 working days in the month, we expect to turn out 20 buildings a month, which will be nearly a building a day.

Senator HARRIS. Now, how many buildings have you?

Mr. WETMORE. I think I ought to add to that the department, of course, following the President's suggestions to speed up this matter as much as possible, is putting out buildings under contract with outside architects to some extent.

My office is a hopper, and we feed the material in at one end and it comes out at the other at the rate I have been telling you.

Now, our particular problem is the sites for the buildings. Of course, you can not put up a building unless you have a site to build it on. We have a large number of title cases over in the Department of Justice.

If they come to us more rapidly than 20 a month, I can not keep up with the procession. About 20 now is about the outside limit that is possible, and that is going considerably when you turn out 20 buildings a month.

Now, in case the reports on titles come to our office more rapidly than we can absorb them, the department's policy is to let the surplus go to outside architects. If, for instance, I would get five more sites in a month than I could take care of, than I could, say, within the next 20 days, take over our drafting boards, then the department would put those extra buildings out to private architects so as to have two streams of buildings, those that we do in the office and those that outside architects do.

Senator HARRIS. How many outside architects have you already employed, and how many architects have you in your office, regularly employed?

Mr. WETMORE. At the present time 24 projects are assigned to private architects, involving a total expenditure of $116,592,000.

The CHAIRMAN. How many architects?

Mr. WETMORE. Twenty-four.

The CHAIRMAN. Twenty-four outside architects?

Mr. WETMORE. Yes.

The CHAIRMAN. I thought that you said 24 buildings?

Mr. WETMORE. Twenty-four architects.

Mr. MARTIN. That represents 24 projects.

The CHAIRMAN. You just have one outside project per architect?

Mr. WETMORE. Yes, sir.

Mr. MARTIN. Sometimes, Mr. Chairman, we have two architectural firms associated on one large project.

The CHAIRMAN. That is what I thought.

Mr. MARTIN. This statement was made up as of November 15, and since that time there have been several additional architects appointed.

And, referring back to the Atlanta, Ga., case, an architect has been selected, but no contract made, because we have no authority to make contracts. That architect is one who is willing to go along until we get title to the site. We have several cases like that, where we have been able to induce the architect to take a chance and go ahead. We will make a contract as soon as we have the title to the site.

Senator HARRIS. How many buildings do you have sites for and have contracts, and how many have you already contracted for?

Mr. MARTIN. I have that, I think.

Senator HARRIS. First, how many architects do you have regularly employed?

Mr. WETMORE. We have 24 of those projects.

Senator HARRIS. How many do you have in your regular force?

Mr. WETMORE. Well, we do not call them all architects.

Mr. MARTIN. You mean those who are doing architectural work?

Senator HARRIS. Yes.

Mr. WETMORE. The technical force.

Mr. MARTIN. In other words, the technical force.

Mr. WETMORE. In the Supervising Architect's Office, we have 375 technical employees, architects, computers, and engineers, and so forth.

Senator HARRIS. How many architects alone?

Mr. WETMORE. Well, I do not know as I can tell you how many architects in the sense of people who draw the designs of buildings. I haven't got that right here.

Mr. MARTIN. It is close to 200.

Mr. WETMORE. About 200.

Senator HARRIS. How many buildings do you have under construction now and how many sites do you have?

Mr. MARTIN. I have an analysis, Senator, made as of November 15, showing the status of this program as to buildings and limits of costs. There have been completed 93 buildings, having a total limit of cost of $31,561,000. I am just giving the round figures.

And, to and including this date, 92 projects, having a total limit of cost of $69,748,000.

We had bids in on projects that were on the market, on the specification stage, total cost of 26 involved $13,123,000.

Then, we have in the drawing stage, assigned to the Supervising Architect's Office, 90 projects having a total limited cost of $46,555,000.

We have assigned to private architects, as of this date, 24 projects, having a total limit of cost of $116,592.

There were projects where we had acquired the sites and drawings were not yet taken up, 12 cases that we could go ahead on as of this date. That involved the total limit of cost of $4,026,000.

There were 46 cases where an acceptance had been made of the sites, but title had not as yet been vested—total limit of cost involved, $18,161,000; and 23 cases where the land is under condemnation involving a total of $23,160,000.

There were 77 cases where the sites reports were in, site selections, involving a total sum of $37,548,000; 45 cases where agents were still inspecting sites and had not returned their reports, totaling $14,957,000.

Senator HARRIS. How many buildings on that?

Mr. MARTIN. Forty-five.

Senator HARRIS. Forty-five?

Mr. MARTIN. Forty-five. There were eight projects that are being held up for one reason or another, amended legislation, or some other reason, involving a limited cost of $2,320,000.

That was the status as of November 15.

The sites selections are being made at the rate of about 30 a month, so practically all of those sites cases will be disposed of within the next 60 days, I would say.

Senator HARRIS. And, how many are there?

Mr. MARTIN. There are 77 cases, all involved, 15, where the reports were in, the agent's reports were in, and there were 45 cases where the agents had not reported as yet on the sites.

Senator HARRIS. Now, I believe you are asking for an appropriation in the deficiency bill for a number of buildings. Am I correct in that?

Mr. WETMORE. We have not sent down our estimate yet for the deficiency bill. That will come down later in the session.

Senator HARRIS. It is your intention to do that, I have been informed?

Mr. WETMORE. Yes.

Senator HARRIS. About how many will there be of those?

Mr. MARTIN. I would say between 150 and 200; pretty close to 200.

Mr. WETMORE. It is difficult to give a definite statement. It would be between 150 and 200. We had them looked over last night.

Senator HARRIS. I was just wondering what the policy would be about the construction of those, so far as the employment of outside architects is concerned, and getting outside men.

Mr. WETMORE. If it becomes necessary, by reason of the inability of my office to take them up, they go to outside architects, and some of the larger ones anyway, because that relieves my office very greatly. Take the case as an illustration, of the Chicago building. If I had undertaken to do that building in my office, I would have had to put at least 40 men for six months on that one building and when I got through that would just have been one building, in one district. By putting it on the outside, giving it to an outside architect, the office was relieved; those 40 men were relieved for other work, and those 40 men could work on buildings in various districts throughout the country. Of course, that disperses them, to a large extent. I mean, it scatters the expenditure more than it would be if we had just been working on that one building in that one place.

The CHAIRMAN. Of course, you have got your office force, I understand; permanent force?

Mr. WETMORE. We have the employees in the Supervising Architect's office. They are increased in accordance with the demands, according to the work that we have and so on.

The CHAIRMAN. But you propose first of all to keep your force employed, and then, if you have more work than they can do, you take on outside employees?

Mr. WETMORE. That is the idea, except in the case of some of the larger buildings where special relief has been afforded by putting the work outside.

Senator SMOOT. At how many places do you have outside achitects; how many offices or buildings?

Mr. WETMORE. Twenty-four outside.

Senator SMOOT. Have they been assigned within the last two months?

Mr. WETMORE. Oh, some of them longer than that. We have got one building on which we have had architects working for nearly two years.

Senator BRATTON. Why is so much time necessary, Mr. Wetmore?

Mr. WETMORE. Well, in that particular case it was because of the inability, apparently, to get the occupants of the building settled on what their requirements would be and in an effort to make the proper arrangement of the space, considerable time was necessary to meet the demands and satisfy everybody.

You see, when we take one of these buildings, and undertake to care for a number of activities in one building, it requires a great deal of adjustment of space to get something to be satisfactory to every agency which is to occupy the building.

The law requires that before an appropriation becomes available you have got to have a sketch plan prepared, which they will all sign, in which they approve the assignment of space in general; but as the work progresses and the force that is to occupy the building can see a little better what the arrangements are, there are always demands for changes. We expect that all of the time.

Senator BRATTON. How much do you contemplate will be expended on public buildings, and land, during the calendar year 1931?

Mr. WETMORE. I reported that to the committee the other day. It is $138,000,000.

Mr. MARTIN. $138,000,000 as a minimum, under the present legislation providing all of the sites that would go to justice, during this year, are obtained.

Senator BRATTON. How much?

Mr. WETMORE. $138,000,000.

Senator BRATTON. Of that, how much will be spent for the purchase of land? And how much for materials, and how much for the employment of labor?

Mr. MARTIN. There will probably be about $85,000,000; between $85,000,000 and $90,000,000 for construction and the balance is for land, and it is pretty hard to gage how much will be expended for labor, and how much for materials.

Senator BRATTON. Of that $85,000,000?

Mr. MARTIN. Yes, sir. Of that $85,000,000, we have tried to explain or to give some statistics that will give some idea as to the number of men to be employed on the job during its erection.

For instance, the Department of Commerce Building, using that as a typical example, the ratio of the number of men employed over a period of two years is about 1,000 men to $10,000,000 expenditure. That is in the erection of the job over a period of two years.

Now, in the fabricating plants, we have had information, informally, to the effect that for every man that it requires to erect a building, there are five employed in the fabricating plants.

Senator BRATTON. How much would you say will be expended for land?

Mr. MARTIN. The difference between $85,000,000 and $90,000,000 for construction, which means something like between $45,000,000 and $50,000,000 for land.

Senator SMOOT. Is that not wrong?

Mr. MARTIN. What is that?

Senator SMOOT. Your land does not cost 50 per cent of the construction cost, does it?

Mr. MARTIN. Senator, that is explained in this way: During the calendar year 1932, your land will be practically nothing, but it will all be construction.

Senator SMOOT. Of course, that is what I was going to call attention to.

Mr. MARTIN. Yes; when your land is obtained, and this figure is worked out, and the construction plans have been adopted, and the land all purchased, after that on this $90,000,000; out of $125,000,000 it will be perhaps $115,000,000 as against $10,000,000, or even more than that.

Senator BRATTON. Certainly; but what I have in mind is the part that the Government is to play in the relief of the unemployment situation during the calendar year 1931.

Mr. MARTIN. Yes, sir.

Senator BRATTON. So that during that year, you expect to spend about $85,000,000 for construction work?

Mr. MARTIN. That is the maximum under the present legislation. There are two bills pending which would really insure that expenditure and that legislation, as I understand it, has been introduced and it would permit the contracting for an outside architect as well as to make a contract for a site, as soon as you enter condemnation proceedings, inasmuch as the bill would allow you to take immediate possession and then you could go ahead.

As it is now, we have no authority, under present legislation, to contract for an outside architect or to make any expenditure for topographic survey of sites, which surveys are necessary before you can start your plans, until the titles to those sites have become vested in the United States.

Senator BRATTON. If the public-building program were accelerated in every possible way, how much money could you expend for construction during 1931?

Mr. MARTIN. Well, that is very hard to answer, Senator, for this reason: We can not gauge the rapidity with which outside architects can complete their drawings. We can only say that we can make contracts as fast as the sites become available or as fast as we can get authorizations.

Senator BRATTON. Well, in connection with that statement, let me call your attention to a case in my own State where the site was acquired early last spring and the money had theretofore been appropriated, but bids have not yet been asked for construction of the building.

Mr. MARTIN. Which is that, Senator?

Senator BRATTON. That is Clovis.

Mr. WETMORE. What place?

Senator BRATTON. Clovis.

Mr. MARTIN. Clovis, N. Mex.

Senator BRATTON. What is the delay there? As I recall it, the site was actually accepted early last spring. Can you tell me what is the occasion of the delay there?

Mr. MARTIN. I know that the drawings are complete now, but I can not tell you from my records here just what the delay is. I would be very glad to furnish you authoritative information on the case when I get the records. I do not have them with me, and I do not have that information in mind just now.

Senator BRATTON. I recall another case in my own State where the money was appropriated last spring, and according to press reports an inspector was sent to the town less than two weeks ago

to inspect the site. I am wondering what is causing that much delay in the inspection of sites.

Mr. WETMORE. What place is that?

Senator BRATTON. Gallup.

Mr. MARTIN. That was appropriated for at the last session of Congress?

Senator SMOOT. The appropriation was not made, Senator. That has only been authorized.

Senator BRATTON. No; there was an appropriation—an initial appropriation.

Senator SMOOT. When was the appropriation made?

Mr. MARTIN. That is in the act approved July 3, 1930, and this is the situation——

Senator BRATTON. There is an initial item of $25,000 actually appropriated there.

Mr. MARTIN. We have authority to proceed there at Gallup.

Senator BRATTON. Yes.

Mr. MARTIN. We had, as you know, something over 200 projects in that July 3, 1930, act, and under the law we have to advertise for at least 20 days in a newspaper for bids. We then open the bids, and under the law we are required to send a Treasury agent and a post-office agent to examine each and every piece of property offered and get reports back to the department, and then estimates are made as to the maximum amount that can be expended for sites; the first, second, and third choice sites that the agents report.

When that information is available it then goes before this joint departmental committee which makes the selection.

Now, in the act of July 3, 1930, as I say, we had over 200 cases to be examined—site cases—and it was in the early part of or latter part of August before we opened all of those bids.

That meant that we had September, October, November, and December to make a complete survey of all of those site cases.

Now, the examination of all site cases requires experienced men. They have got to know what it is about.

Senator BRATTON. How many such men have you?

Mr. MARTIN. We try to use our construction engineers, usually those who are supervising engineers, who have been in the service for a large number of years, and I think we have about 15 of them.

Mr. WETMORE. I think more than that.

Mr. MARTIN. About 15 men.

Senator HARRIS. The 74 buildings you spoke of, you have sent in requests for money to this session?

Mr. MARTIN. Two hundred, about 200.

Senator HARRIS. Two hundred?

Mr. MARTIN. Yes, sir.

Senator HARRIS. How long will it take you to complete those buildings; I mean, most of them, not all of them?

Mr. MARTIN. There are a number of buildings, Senator, where the Government owns the sites. I should say, imagine, about 70 of those 200 would be places where the Government owns the sites.

Senator HARRIS. And there will be no delay on that?

Mr. MARTIN. So that, for that 70, the Supervising Architect is making plans, so that at least 50 of the 70 will be on the market for construction bids two months after we get the authorization.

Senator HARRIS. And, how about the others?

Mr. WETMORE. The others will depend on when we get the title to the land.

Senator BRATTON. You will have to make more speed than you have made in the two instances to which I have referred. I am not complaining. I am inquiring.

Mr. WETMORE. Surely, Senator. There are a number of cases where title is had, and where an examination is made, and the project came on the market in pretty short order.

Now, as I mentioned a moment ago, there are nearly 100 buildings under contract right now. The plans of the department call for an additional 100 buildings under contract within the next six months, which will mean there will be 200 buildings under contract.

Senator BRATTON. You think you can do that?

Mr. WETMORE. Yes, sir.

Senator BRATTON. Get 100 additional buildings under contract in the next six months?

Mr. WETMORE. Yes, sir.

The CHAIRMAN. Have you had any unnecessary delays in connection with titles?

Mr. WETMORE. No. The titles under this bill have run about the same as they have in previous years. They will average five and six months to the case, on an average. Sometimes the titles come in more rapidly, but the longest delays we have are on these condemnation cases.

We have a building bill in the Senate now, that if it becomes a law, will authorize the Government to take immediate possession when they have filed condemnation proceedings by making a deposit in the court of I think 70 per cent of the estimated market value of the property and take possession, and the question can be settled later, but the Government can go on.

Then, there is another piece of legislation that you have in the Senate that can speed up in the matter of acquiring titles, and that is the bill that authorizes the Attorney General to accept certificates of title instead of going through this long process of having abstracts made and an examination of those. It takes a long time to get up an abstract of title in some cases, especially in cities where there have been frequent transfers of title and where the original title runs back over a large number of years, and the policy of the Department of Justice in years back has been that the title must be traced back to the original grant.

Now, this new law authorizes the Attorney General to accept certificates of title which ought to cut the time down at least an additional two months, and then, if that legislation in connection with the condemnation procedure were enacted so that we could take immediate possession, that would save several more months, three or four months, probably.

Mr. MARTIN. Sometimes a year.

Mr. WETMORE. Sometimes a year.

Senator SMOOT. And that is delaying this program.

Mr. WETMORE. Frequently. And the condemnation appeals with them we take as much time to settle as the original condemnation procedure. That ought to be cut out.

The CHAIRMAN. We ought to have a provision of law, at least in condemnation proceedings, a clause in the law to the effect that when the lower court makes its finding the Government ought to be permittted to take possession in some way.

Mr. WETMORE. Well, that is in this pending bill. It does better than that.

Senator MCKELLAR. Those two bills have passed the House?

Mr. WETMORE. I believe that they were introduced in the Senate first.

Senator SMOOT. I know of cases, too, Senator, where some of these buildings now in these projects that have just been spoken of might have been a year ahead if it had not been for the disagreement between the Congressmen and Senators themselves living within the States in which the buildings are to be located.

Senator BRATTON. We have had no such trouble as that in my State.

Mr. Wetmore, I have here a statement purporting to come from the President, that appeared in the press under date of December 23, to the effect that the Government was proposing to expend $173,869,000 on the public building program during the year 1931. Can you recall that statement?

Mr. WETMORE. I never saw that statement. Is not that the statement of the public works, and not on public buildings?

Senator BRATTON. I may be mistaken, although my memory is that it is public buildings.

Senator SMOOT. I think it is public works.

Senator BRATTON. Public works?

Senator SMOOT. Yes, sir.

Senator BRATTON. And that accounts for the difference between the figures in that statement and the figures given to-day?

Mr. WETMORE. Yes, sir.

The CHAIRMAN. Are there any further questions?

Senator PHIPPS. You spoke about the provision authorizing you to employ more outside architects.

Mr. WETMORE. Yes.

Senator PHIPPS. What is the provision as to that now; and what change do you want in the present appropriation?

Mr. WETMORE. It is not a matter of employing more architects but having authority to employ architects at an earlier date without having to wait until title is vested in the Government. At the present time we have no authority until we get the site.

Senator PHIPPS. When you get authority to take possession, when you institute condemnation proceedings, at the same time you can employ architects?

Mr. WETMORE. Employ architects as soon as we find that we can get title.

Senator BRATTON. Do you think everything possible is being done to accelerate the public-building program as one means of combatting the unemployment situation?

Mr. WETMORE. I think so. I may be a little biased in regard to my office, but recently there were a couple of experts put in there to see whether they could suggest any ways and means of shorter cuts, and they have made but one constructive suggestion. They paid my office the compliment of saying if they had to do the work under

the same legislative restrictions that we have to do it, that they would probably carry it on in the same way that we are, and they did not think that they could improve on the methods adopted; but the suggestion was made that if the department, if the Government, would resort to the method of construction that is used by large owners and large builders in the metropolitan cities of having the department authorized to pick its own contractors without having any competition, and to employ an architect and let the contractor and architect start in together on an estimated amount that the building would cost, and proceed to let the contracts as the architect prepared the drawings; that is, get in the foundation, and the steelwork, and the stonework, on that, without any absolute knowledge as to what the building would cost, except that it might be a matter as to the accuracy of the architect and the computers, and in that way they would carry on the work just as these skyscrapers go up, very rapidly; but the cost of that is not always the exact amount as compared with the limit, but sometimes is a small percentage more.

Senator COPELAND. What percentage?

Mr. WETMORE. We have no authority to build in that way.

Senator COPELAND. How much more would it cost to do it that way?

Mr. WETMORE. I do not know that it would cost any more for what you got for your money. You might not always get your building built within the limit of cost Congress fixed.

Senator COPELAND. It is because of legislative restrictions that you can not build that way?

Mr. WETMORE. Congress puts the limit on the costs, and it is not permissible to let a contract in excess of that limit. It is a penal offense to do it. And there would always be the uncertainty, if you let the contract in the way it is done on these large buildings, first the excavation and then the foundation and then the steelwork and then the materials, the stone, or other material of which the building is constructed. All of these contracts are let separately and then added together. That is what they do with these commercial contracts if they find that they are going to exceed the amount the owner is willing to pay; if they discover that condition, they cut down the costs, perhaps, below what it was intended for on some of the remaining parts of the building. In other cases, if the owner is willing to stand for the additional costs, they continue. They go ahead and build. But we could not do that with Government buildings, unless Congress will say, "Disregard the limit of costs of building a building and estimate what it would be, subject to a certain sum of money."

Senator COPELAND. That Congress will not do.

Mr. WETMORE. And that Congress will not do. And it is not a businesslike way of doing it either, with public buildings. It is all right with an individual who controls his own purse strings, where he is willing to make an additional expenditure or turn the building over to another architect and builder to build.

Senator COPELAND. Is that the only legislative embarrassment that you have to deal with?

Mr. WETMORE. No, there are a good many things that embarrass us, but, of course, they are legislative restrictions that have been set up, and probably wisely, to guard the expenditure of public funds.

Senator COPELAND. You do not need to spare the feelings of the committee.

Mr. WETMORE. One of the difficulties, of course, we have is in an inability to pick well-known, good contractors. If we could go out and pick our contractors, we could get buildings built more cheaply than we do. We might not get it under contract any sooner, but we would get it constructed more rapidly.

The party who is able to qualify, we may say, and is in a position, has had sufficient experience to be regarded as technically qualified, and who can give a bond, if he is the low bidder, he must be given the contract under the Comptroller's ruling. We have no discretion about that at all.

There are sometimes, with a very small difference between low bids and the next bidder, and there is all the difference in the world as to the character of the two builders, the character of jobs they will do for the amount of money expended, and the time required, and the manner in which they will carry on the work, and yet if we could evaluate that difference, the difference between the two bids, in dollars and cents, it would not at all represent the value to the Government to be able to pick the better contractor.

Senator HARRIS. Would not local architects be helpful to you more than your own men in cases of that sort?

Mr. WETMORE. What?

Senator HARRIS. Would not the local architects be more helpful to you than your own men in cases of that sort, because they know more about these contractors, know them better than your men here do?

Mr. WETMORE. I do not see how they could do it any differently from what we do. They do not let the contracts anyway. We are obliged to take the lowest bidder who qualifies, although he may not be the lowest best bidder.

That is just one of the things. Of course, it can be done in the outside work. They do not have to bother about that at all.

Senator SMOOT. The Senators must realize that what would happen there is that as soon as the contracts were awarded, and a contractor received the contract for the work, if his bid were higher than the next, we would have a senatorial examination made, and there is no doubt about it.

Senator HARRIS. Mr. Wetmore, let me ask you about the buildings now, where the Government has already acquired the sites. There are a large number of such instances?

Mr. WETMORE. A minimum of 70.

Senator HARRIS. Seventy, in which the Government has already acquired the sites?

Mr. WETMORE. Yes, sir.

Senator HARRIS. How long will it take to begin work on those buildings, if we can get outside architects?

Mr. MARTIN. I do not recall that figure, Senator. I gave you a statement as of November 15, and as changed now, as of this date. As of November 15 we only had 12 projects where we had sufficient authority to be taken up for drawings and I feel sure that that 12 has probably been reduced by this time, even though there have been other sites come in, and so forth. We are running upon a very close margin, and Mr. Wetmore pointed out the capacity of the

Supervising Architect's Office, which is between 12 and 20 projects a month.

Senator BRATTON. What will be the policy, during this year, with respect to including in each contract a provision requiring the contractor to pay current wages?

Mr. WETMORE. We have no authority to put any provision of that kind in the contract.

Some time ago the Treasury Department, I will say at least three weeks ago, submitted to the Comptroller General a draft of a proposed paragraph to go in the specifications as a notice to bidders. That was intended to accomplish what is spoken of, but we asked the comptroller whether we had authority to make such a condition. He has not replied yet. He has had the matter under consideration.

But, early in the season, a suggestion of that kind was brought to the attention of the interdepartmental committee on Government contracts, and after its consideration there was a report to the President, I believe, that a provision of that kind should be based on some legislative authority which was recommended before they undertook to incorporate such a provision in a contract and that the matter should be brought to the attention of Congress, and we should get the necessary legislation.

I anticipate that matter will be before this present Congress.

Senator BRATTON. Is it your understanding, then, that until such act is passed no such provision will be inserted in the contracts?

Mr. WETMORE. I can not say that, because, if the comptroller reports favorably on the paragraph we prepared in our office, we will have something of that kind in our contracts shortly. Otherwise we will have to await proper legislative action.

Senator COPELAND. How much have you been embarrassed by the failure of the Department of Justice to get title to property where you wanted to build buildings?

Mr. WETMORE. We have not been embarrassed; not so far. Titles have been coming as fast, as rapidly, as we have had an opportunity to go ahead with the buildings.

Senator COPELAND. You have had no plans prepared, then, for property the titles to which have not yet been perfected?

Mr. WETMORE. I have been perhaps departing from the customary procedure somewhat, where we have had titles come in. I have had plans commenced before the title was perfected.

Senator COPELAND. What is the situation at Buffalo about the public building?

Mr. WETMORE. There is no authorization for any building at Buffalo that I know of.

Senator COPELAND. There are no plans at all for any building of buildings at Buffalo?

Mr. WETMORE. There is no authorization for any building there in the $115,000,000 extension of the public-building authorization of the last session of Congress in connection with that extension to the public buildings. That is one of the cases that is being considered in connection with that.

Senator COPELAND. That is on the approved list, I think.

Mr. WETMORE. We have had a survey of over 900 sites, and there will be several hundred buildings allocated in this $115,000,000.

Buffalo is but one of the cities that is under consideration, but no decision has been made by the Joint Post Office and Treasury Committee as to any building so far for that allocation. We have not taken it up yet.

Senator COPELAND. Then the reason that matter has not come forward at Buffalo is because a policy has not been determined as to the building of one building or two buildings?

Mr. WETMORE. We have not determined yet whether we will build any building there, but we expect that we will. As I say, none of these cases yet have been passed on by the committee.

The CHAIRMAN. That is under the authorization that Congress made?

Mr. WETMORE. Congress authorized $115,000,000 additional, and the departments are to make that allocation, but they have not got to it yet. We have had the surveys made, but up to the present ime that has not been settled upon. It will be within the next two weeks.

Senator COPELAND. When was the authorization made?

Mr. MARTIN. March 31, 1930.

Senator COPELAND. And you say nothing has been done in that matter?

Mr. WETMORE. We have had surveys of over 900 cities during this past summer in order to find out and to have before us the respective needs of the cities in the country that can show postal receipts of an amount sufficient to give them consideration under that limit of estimates. Buffalo, is course, is among them.

Senator COPELAND. How long will that study continue before any construction is begun?

Mr. MARTIN. That will be reported to Congress this session and probably the latter part of January or the 1st of February, showing what places can be cared for under the $115,000,000; what additional places should be cared for, and where the money is to go, and what we ought to have as additional authorization in the general authorization.

Senator COPELAND. And that means, when that matter comes before Congress there will be presented to us a plan for the expenditure of $115,000,000?

Mr. WETMORE. Yes, sir.

Senator COPELAND. And possibly projects which will go beyond that. Am I right?

Mr. WETMORE. Yes, sir.

Senator COPELAND. Well, in the meantime, is the Department of Justice, so far as you know, proceeding with the acquisition of sites where these buildings are desirable?

Mr. WETMORE. No, sir; they are not.

Mr. MARTIN. They do not have any authority.

Mr. WETMORE. Only where Congress has authorized the building can we make a contract for the site. Unless there is authority to procure a site, or build on a site, we can not make a contract for a site. If a contract is made for a site, then we get to work with the Department of Justice, and the Department of Justice examines and reports upon the title.

Senator COPELAND. As far as seeking relief for the unemployment situation by this means, the first step is to have you complete a scheme of how the $115,000,000 shall be expended; is that right?

Mr. WETMORE. Well, that will be first, and the next step will be to procure sites and estimates under the $115,000,000 allocation.

Senator COPELAND. Well, I was not here. I am sorry. Have you all of the help that you need to prepare those estimates?

Mr. WETMORE. I believe it is the intention of the department not to build my office up any further. Of course, we could build up a temporary organization and turn out more work, but we have got a pretty good force working now, and I think the feeling is that if there is need of increasing the output beyond what I can do that we will do it by outside architects. You understand, we do not want to build up a big establishment and tear it to pieces a little later by the discharge of people.

Senator BRATTON. Do you have general authority now to employ architects?

Mr. WETMORE. We have authority, but there is no appropriation. We have got to ask for a public appropriation. This is paid for out of the annual appropriation.

Senator BRATTON. Do you expect to ask for the money for that purpose?

Mr. WETMORE. Yes, sir.

Senator BRATTON. At this session of Congress?

Mr. WETMORE. Yes.

The CHAIRMAN. Those things all take place as fast as the appropriation can be reached.

Senator BRATTON. I understand that.

Senator COPELAND. How long will it be after you have received authority for this program for the expenditure of $115,000,000, before the dirt will be flying, the work will be undertaken by the contractors?

Mr. MARTIN. Dirt will be flying within two months after this necessary legislation comes through, because in this building program there are at least about 60 or 70 site-owned cases that will be allocated to this $115,000,000 authorization.

Senator COPELAND. Yes.

Mr. MARTIN. That is, cases where the Government had purchased the site under prior legislation; and we can go ahead with plans, where we have the site-owned title cases, we can go ahead with those particular projects, and the thought being that we ought to go ahead with at least 50 of the site-owned cases and let the contracts under bid within two months after we get the proper authorization.

Senator COPELAND. Then you would say you would expect to have the work started, if you get the authorization, by the latter part of March or the first of April; and you think you might expect to have the dirt flying by that time?

Mr. MARTIN. That depends, of course, on the time when the legislation is passed; if it does not go through until March, of course it would be later.

Senator COPELAND. You see, we expect to adjourn the fourth of March.

Mr. MARTIN. Yes.

Senator BRATTON. Do you know the total number of men who will be put to work under this plan?

Mr. MARTIN. We have some figures on that.

Senator BRATTON. In your department?

Mr. WETMORE. None.

Senator BRATTON. You do not have any data from which you could furnish that information?

Mr. WETMORE. An estimate could be made.

Senator BRATTON. Yes.

Mr. WETMORE. We could give you an estimate.

Senator BRATTON. Have you an idea as to the number?

Mr. WETMORE. We have data before us in the estimates which gives it about 6,000 men for every $10,000,000, and for every man employed on the work involved about five outside employees in factories, fabricating plants, and so forth.

Senator MCKELLAR. That is given on a yearly basis?

Mr. MARTIN. About 6,000.

Senator MCKELLAR. On the basis of what period?

Mr. MARTIN. Over a period of two years, 6,000 families would be provided for for two years under the $10,000,000 contract project. We are using as a basis the estimate given from the Commerce Department and the Internal Revenue Bureau, from which we have been able to get some statistics as to the number of employees that were used in these buildings.

Senator BRATTON. Of the $138,000,000, how much of that appropriation will be used outside of the District of Columbia?

Mr. MARTIN. In the construction amount?

Senator BRATTON. Yes; of that figure.

Mr. MARTIN. Of the $138,000,000?

Senator MCKELLAR. He said $138,000,000.

Senator BRATTON. Yes.

Mr. MARTIN. I should say there will be $15,000,000 used in the District of Columbia.

Senator BRATTON. And the balance outside?

Mr. MARTIN. Yes.

Senator BRATTON. Now, as to the program which you have just stated here: You are a better mathematician than I am and I want to ask you about how many people will be employed on the $138,000,000 program.

Mr. WETMORE. Using that same formula, and going by the Department of Commerce Building down there, we have got 6,000 men for each ten million.

Senator MCKELLAR. Six thousand employed for every $10,000,000?

Mr. WETMORE. Yes.

Mr. MARTIN. Between fifty and sixty million for a period of two years; or double that amount for a period of one year.

Senator BRATTON. That means that between fifty and sixty thousand could be used continuously for two years?

Mr. MARTIN. Yes.

Senator BRATTON. Or twice that number could be used for one year?

Mr. MARTIN. Yes.

That does not include, Senator, all of the work that is incidental to the Government job; work that comes to the surface when we acquire a site. When we acquire a site, necessarily, that involves new construction on the part of the people whose property is taken, and necessarily requires a number of employees in that construction work that is incidental to the Government building program.

Senator MCKELLAR. How does that compare with the 3-year period before this depression set in? I ask that so that we can find out exactly what will be the result.

Mr. MARTIN. I can give you this, taking the first year 1929.

Senator MCKELLAR. Yes.

Mr. MARTIN. The expenditures were twenty-two million odd.

For the year 1930 they were forty-one million odd.

Now, for the fiscal year of 1931 that will be somewhere around between 75,000,000 and 90,000,000, for the fiscal year, but everything depends upon the speed with which the outside architects get the plans in and this new legislation that is now before both Houses, which would allow us to make expenditures in the way of tests before title is acquired.

Senator SMOOT. The percentages for 1929 and 1930 were greater in the District of Columbia than they will be in 1931?

Senator MCKELLAR. Yes.

Senator SMOOT. Because during those two years we spent more money in the District of Columbia, in proportion to what we anticipate spending here in this $138,000,000.

Senator BRATTON. Colonel Wetmore, reference has already been made to the statement issued by the President, that during the fiscal year, or the calendar year 1931, $173,869,000 will be used or is being spent on public works. Will you tell us what part of the $138,000,000 will be public buildings?

Mr. WETMORE. We do not know.

Senator BRATTON. You do not have that?

Mr. MARTIN. We do not know what the $173,000,000 is.

Senator BRATTON. You do not know what that is?

Mr. MARTIN. No.

Senator BRATTON. What is your individual view of the wisdom of putting into a contract a provision requiring the contractor to pay the prevailing wage scale in that community?

Mr. WETMORE. I should see no objection to such a provision; unless it would increase the cost of construction.

Senator BRATTON. To what extent?

Mr. WETMORE. I could not say that.

Senator BRATTON. There has been some complaint about it, has there not, Mr. Wetmore?

Mr. WETMORE. There has been a good deal of agitation that work done on public buildings, during the time of depression, was carried on below the prevailing wage scale. Just how much, if any, it would increase the cost of construction, it would be difficult to say.

Senator BRATTON. If that sort of a provision would result in a

greater cost of construction, it must be because the contractors are paying less than the prevailing wage scale now.

Mr. WETMORE. Well, Senator, I do not know to what extent that is true, but I believe it is.

Senator BRATTON. At least to some extent.

Mr. WETMORE. Yes.

Senator SMOOT. In some places.

Mr. WETMORE. I have had a few complaints that the contractors were not paying the prevailing wage scale. In all of the contracts we have let recently, I will say, within one month or more, the contractors have all agreed to pay the local wage scale. That is entirely outside of the contract. They were told, after the bids had been opened, what the department's policy was, and they were asked to cooperate with the department's policy in the matter of the wage scale and local employment to the extent available. They said they would willingly cooperate and they have, in every case, so far as I have had any information.

Senator BRATTON. That is the department's policy?

Mr. WETMORE. I beg your pardon?

Senator BRATTON. Is that the policy of the department?

Mr. WETMORE. That is the policy of the department.

Senator BRATTON. When was it inaugurated?

Mr. WETMORE. It has been announced for months.

Senator MCKELLAR. I will say this, that it was during the letting of the contract for the veterans' hospital at Memphis, about a week or 10 days ago.

Senator BRATTON. The reason I ask that is because the statement was made on the floor of the Senate several times that contractors were importing outside labor and were paying less than the prevailing wage scale in the community. If you can tell us anything about that, Mr. Wetmore, we will appreciate it.

Mr. WETMORE. A statement of that kind was made to the office about the middle of the summer, as I recall it, and the statement was quite definite. It was to the effect, and it was not an allegation, it was stated as a fact, that contractors on public buildings were importing labor and paying less than the prevailing wage scale, and they called upon my office to make inquiry as to that fact.

I sent out a questionnaire to, I believe, 29 of the largest contractors that we had, to the superintendents in charge of the 29 contracts, and asked them to report to me the number of employees, men employed on the job; the number that were native born; the number that were aliens; the number that were citizens of the locality; and the number that were brought in from a distance.

I would like to put in the record as a part of my testimony here to-day the tabulated statement giving the result of that inquiry, which shows a very, very small percentage of what we call imported labor.

The CHAIRMAN. That may go in the record.

Mr. WETMORE. That will be furnished.

(The matter referred to is as follows:)

Number of outside men and aliens employed on various jobs as of September 15, 1930

Building	Total	Alien	Local	Outside
Asheville, N. C., post office	65	0	60	5
Boise, Idaho, post office	60	0	33	27
Boston, Mass., post office	48	0	36	12
Brooklyn, N. Y., postoffice	13	0	13	0
Dallas, Tex., post office	131	0	117	14
Denver, Colo, post office	90	0	81	9
Fargo, N. Dak., post office	78	0	26	52
Haverhill, Mass., post office	53	3	35	18
Juneau, Alaska, Federal building	101	9	39	62
Lima, Ohio, post office	50	0	34	16
Lowell, Mass., post office	27	0	27	0
Memphis, Tenn., post office	140	1	126	14
Milwaukee, Wis., post office	100	2	100	0
New Orleans, La., marine hospital	32	0	32	0
Oshkosh, Wis., post office	34	0	21	13
Passaic, N. J., post office	27	0	23	4
Pullman, Mont., post office	20	0	20	0
Racine, Wis., post office	32	0	28	4
San Francisco, Calif., maritime hospital	117	2	117	0
Seattle, Wash., immigrant station	50	0	50	0
Scranton, Pa., post office	103	5	96	7
Springfield, Ill., post office	65	1	41	24
Tampa, Fla., post office	65	0	53	12
Tucson, Ariz., post office	161	0	103	58
Tyrone, Pa., post office	12	0	0	12
Watertown, N.Y., post office	50	11	45	5
	1,724	34	1,356	368

Senator BRATTON. Did you include in your questionnaire the matter of the prevailing wage scale?

Mr. WETMORE. That was not included. The question involved referred to the importation of labor, the number that were native born and the number of aliens, the number that were citizens in the local community and the number that were brought in from a distance.

Senator HARRIS. I think the statement showed that the rate from Fort Benning was very much below the regular scale.

Mr. WETMORE. That did not come up in our office.

Senator COPELAND. I should like to make further inquiry about the sites. There has been some intimation to me that there was embarrassment because of certain delays in gaining sites. Am I right in assuming from what you have said that there is no such delays?

Mr. WETMORE. We have not been embarrassed by failure to have title to the sites. We have had titles to sites available as fast as we could handle them. We have quite a good many cases pending in the Department of Justice.

I can not say there has not been delay. I do not know how rapidly the United States attorneys have worked on the papers, but I do know that the present Attorney General has issued some very strict orders which have been sent to the United States attorneys throughout the country about this matter of titles and has gone considerably beyond what any other Attorney General that I have known has done in the matter. I recall one paragraph of his instructions is to the effect that if business of the courts was so heavy as to take up so much of their time that they could not give the necessary atten-

tion to this matter, that they immediately bring that fact to the attention of the Department of Justice in order that the department might give assistance in this matter of titles.

Senator COPELAND. How long ago was that?

Mr. WETMORE. The department is furnishing assistance, possibly, now. In this speeding up of the building program they realize that if we are to put up a building we have to have the land on which to build.

Senator COPELAND. I take it that there was delay or else there would not have been this order.

Mr. WETMORE. It has been a long period from the time we started to get title before any work could be undertaken in the building program. But, I anticipate, with this new change in the legislation, that there is not going to be the same delay which we have experienced heretofore.

Senator COPELAND. Then there are certain provisions which you would like to go forward in order that you will be able to facilitate your program after you get title?

Mr. MARTIN. Yes. One of the plans contemplated in the legislation that is now pending before Congress will allow us to make certain tests, on the sites that are to be secured, which will enable us, prior to getting a title, to do certain work.

Senator COPELAND. Then you have had some embarrassment by reason of that fact.

Mr. MARTIN. Because of the present law that requires us to go through with condemnation proceedings before we can make any contract for the actual expenditure of any money or on the plans for building until we get title.

Senator COPELAND. And from the standpoint of your office it is imperative to have that legislation passed?

Mr. MARTIN. It is imperative if you want to speed up this program.

Senator COPELAND. If you are to be able to complete the building program as Congress has outlined it.

Mr. MARTIN. That is correct.

Senator BRATTON. What does that pending legislation provide?

Mr. MARTIN. That the Government can take immediate possession.

Senator MCKELLAR. In condemnation cases.

Mr. MARTIN. In condemnation cases, by paying the money into court or having it paid into court and disbursed by the court. That would enable us to contract for the outside architects as soon as it was determined that we were going to condemn the site. It also permits us to make inspections, to have topographical surveys, and what not, in connection with the plans that are to be carried through. In other words, we can make certain expenditures that are necessary prior to the starting of the plans, expenditures for topographical surveys, tests borings, and so forth.

Now the department will accept a site to be secured by voluntary conveyance, rather than waiting for two or three months for the completing of the abstract and the payment of the money, this bill that has been introduced makes it possible for us, as soon as we get the transfer by voluntary conveyance, to make the topographical

surveys, test borings, and so forth, incidental to and prior to starting of the plans.

Senator COPELAND. Is there any bill now pending before the Senate?

The CHAIRMAN. I understand that there is a bill in the Judiciary Committee of the House and possibly one before the Public Buildings Committee.

Senator BRATTON. In regard to this pending legislation which you have just described, do you think it wise to go ahead and expend money on sites before the title is accepted?

Mr. WETMORE. We would not do any actual building on the site.

Senator BRATTON. You might do your test boring and make your surveys, whatever it may be; suppose you expend money for that purpose and later the title should be rejected?

Mr. MARTIN. In condemnation cases it could be taken.

Mr. WETMORE. The average cost of the topographical surveys runs around or perhaps less than $500. That is one thing that is absolutely necessary before you draw your plans. You must know the character of the soil, what it will support, and so forth.

Senator BRATTON. Yes.

Senator COPELAND. The pending legislation permits you to do that.

Mr. WETMORE. Before title is accepted.

Senator COPELAND. Yes.

Mr. WETMORE. The amount called for is very small.

Senator BRATTON. In any event, if the title should be rejected, you could go ahead and condemn the property.

Mr. WETMORE. Yes.

Senator BRATTON. And get title.

Mr. WETMORE. Under the pending bill.

Senator COPELAND. I think we should be able to expedite that.

Mr. MARTIN. If we are to expedite the work under our program.

Senator COPELAND. Has the present method been an unsatisfactory one? I assume that it has been an unsatisfactory method, or you would not want to get it changed.

Mr. MARTIN. The old method, of course, was for the purpose of safeguarding the expenditure of public money, and one which has been in force and effect for a number of years, but if you want to get construction work accelerated, and especially if you want to compare the Government contract with the outside contracts there could be a let down, somewhat, of the safeguard during the period of necessity.

Senator COPELAND. Have hearings been held on these bills?

Mr. WETMORE. Yes.

Senator COPELAND. In the House?

Mr. MARTIN. Yes.

Senator COPELAND. In the Senate, too?

Mr. WETMORE. Not that I know of in the Senate.

The CHAIRMAN. A bill was introduced in the House, and hearings were held on that bill. I am not sure now just when, but the hearings have been printed and the committee has reported the bill out and it is now on the House calendar.

Senator COPELAND. Now, if these bills are passed, they will have the effect of materially facilitating the building program?

Mr. MARTIN. Yes.

Senator COPELAND. At the present time.

Mr. MARTIN. Without doubt.

Senator SMOOT. If they would not, they probably would never have been proposed.

Mr. MARTIN. That was the reason for asking for the legislation.

Senator COPELAND. I hope we will get to them.

Senator SMOOT. We will get them out. There is no question about that.

Senator COPELAND. The Senator is hopeful.

Senator BRATTON. I see no reason for delaying their passage.

The CHAIRMAN. This committee, of course, does not have jurisdiction over them.

Senator COPELAND. But we have before this committee the general scheme of what we can do to assist in relieving the unemployment situation.

The CHAIRMAN. Yes.

Senator COPELAND. And we have discovered in discussing that that legislation is needed in order that this project may go forward.

The CHAIRMAN. Are there any further questions from Mr. Wetmore?

Senator COPELAND. We thank you, Mr. Wetmore.

The CHAIRMAN. We have with us General Brown, the Chief of Engineers.

General Brown has sent up a statement this morning that seems to be very clear, and practically covers the whole situation, showing about eighty to ninety million dollars which could be spent, and for the current year we have already appropriated $22,500,000, and $60,000,000 is carried in the military bill, making available for this current year about $82,500,000.

Now, that seems to me to answer the question in this respect very clearly. There may be some question which some of you will like to ask General Brown.

General, will you just give your name to the reporter for the record?

STATEMENT OF GEN. LYTLE BROWN, CHIEF OF ENGINEERS, AND GEN. GEORGE B. PILLSBURY, ASSISTANT CHIEF OF ENGINEERS, WAR DEPARTMENT

General, I have just made the statement that we have already appropriated $22,500,000 and that there is $60,000,000 carried in the military appropriation bill. You heard me state that we have your letter which pretty well answers the questions raised here, but there may be some further information that some of the Senators would like to secure from you.

Are there any questions that any of the Senators desire to ask General Brown or General Pillsbury?

The letter of General Brown is very clear.

Senator BRATTON. How much do you expect to expend on rivers and harbors this year?

General BROWN. Let me see. I will give you the figures that I have on the subject.

Senator MCKELLAR. For what period?

Senator BRATTON. For the year 1931.

Menator MCKELLAR. For the calendar year?

General BROWN. That will be in between eighty and nintey million dollars.

Senator BRATTON. And, of that, how much will be for wages?

General BROWN. I would say in excess of 50 per cent.

Senator BRATTON. What is being done, General, to accelerate your program with a view to relieving the unemployment situation?

General BROWN. We have gone over in our estimate of the unemployment situation for the purpose of seeing what we could do in making expenditures for this year and have made surveys of all projects that were authorized by Congress locally, and our estimate was about $22,500,000, that we could go on with now.

Senator BRATTON. In what period of time?

General BROWN. In about six months.

Senator BRATTON. In about six months?

General BROWN. About six months; yes. That was a very exhaustive survey and took in everything that we were ready to work on.

Senator MCKELLAR. How many people do you now employ?

General BROWN. How many people?

Senator MCKELLAR. Yes.

General BROWN. In the Government we have about 25,000.

Senator MCKELLAR. About 25,000?

General BROWN. Yes.

Senator MCKELLAR. And how many under contract?

General BROWN. I should judge about 50,000, making about 75,000 all told.

Senator MCKELLAR. About 50,000 employed by contract?

General BROWN. Yes.

Senator MCKELLAR. Making about 75,000 people?

General BROWN. Under direct and employed on the work.

Senator MCKELLAR. Yes.

General BROWN. I did not finish my answer.

Senator MCKELLAR. I beg your pardon. I did not know that.

General BROWN. Now, you have got the $22,500,000. We have made the allotments, reserving a small working fund out of that; making the allotments, generally, in accordance with the estimate that was submitted to Congress and now we are going to keep close behind the local offices by requiring frequent reports to see that they do spent the money promptly.

Senator BRATTON. How many projects are involved in that allotment?

General BROWN. One hundred and twelve.

Senator BRATTON. One hundred and twelve?

General BROWN. Yes.

Senator BRATTON. Now, that is your program, which you say is the accelerated one?

General BROWN. Yes.

Senator BRATTON. How much would you spend under ordinary conditions, during the same period of time?

General BROWN. Well, under ordinary conditions, I would say that we spend about, estimating, between sixty and seventy million dollars.

Senator BRATTON. During this same period that you will expend $22,500,000 covered by this survey, how much would you ordinarily expend?

General BROWN. I would say we would spend, probably, about $11,000,000.

Senator BRATTON. Then you have increased your program about 100 per cent?

General BROWN. Yes.

Senator BRATTON. Over what you ordinarily have.

General BROWN. Yes.

The CHAIRMAN. That is about ten or eleven million dollars more?

General BROWN. Yes.

Senator MORRISON. How much of that represents an increased cost to the Government?

General BROWN. Nothing.

Senator MORRISON. Nothing.

Senator MCKELLAR. Will that apply to all the projects under this item?

General BROWN. No; not all of them, just all of those that are more nearly ready.

Senator BRATTON. Where are these projects located?

General BROWN. Located all the way from Alaska to the Gulf of Mexico.

The CHAIRMAN. And in addition to that you have this $60,000,000 that is in the military bill?

General BROWN. Yes.

The CHAIRMAN. So that you will have, practically, for this work, $82,500,000?

General BROWN. Yes.

Senator MCKELLAR. And you have the Mississippi River also?

General BROWN. We have $3,000,000 for that purpose.

Senator BRATTON. In the expenditure of the $60,000,000 on these projects you can accelerate your program, using that method, and expend it wisely?

General BROWN. Yes; I think we can do that very well.

Senator COPELAND. You have got the Long Pier situation in New York.

General BROWN. Yes.

Senator COPELAND. You know that will give some employment when that gets under way.

General BROWN. Yes.

Senator BRATTON. Generally, what is the policy of your department with respect to requiring the contractor to pay the prevailing wage in that locality?

General BROWN. We have no policy in that respect at all. We have no power over the contractor or what he pays; we believe that the contractors ordinarily do pay as much, and sometimes more, than prevailing wage scale. We know that from our own experience.

Senator McKellar. Would you like to have authority to require them to pay the prevailing wage scale?

General Brown. I would not object to such a provision.

Senator Phipps. If you required the contractor to obligate himself to pay the maximum wage scale, would that not necessarily raise his bid.

Senator McKellar. I did not say the maximum; I said the prevailing.

General Brown. I understood him to say the prevailing.

Senator Bratton. Yes, the prevailing wage.

Senator Phipps. That will be affected by the work the contractor has to perform.

General Brown. They go from place to place and often get back into very unfavorable localities, and it has been our experience that you have difficulty in getting labor unless you do pay equally as much or more than the prevailing rate.

Senator Bratton. Have you had any complaints to the effect that contractors were paying less than the prevailing wage?

General Brown. No.

Senator Bratton. You have not?

General Brown. No. I have had on some contracts that they were getting a little less wage since the depression than what they were getting when the contract was let. But I have made investigation to try and substantiate that claim, and I have been unable to substantiate it.

Senator Bratton. What would you do if you were able to substantiate that, General, there being no authority to contract in that regard?

General Brown. I could not do anything, Senator, that I could back up by law, but I think the Secretary of War could bring some pressure to bear that might have that effect.

Senator Bratton. What could he do?

General Brown. Do the next job by day labor, that the contractor bid on; do it by day labor.

Senator Bratton. I do not know that I qnite understand you.

General Brown. We have authority to do the work either by labor or let it out on contract, but our policy is to do it by contract. We always do it by contract now, if the contract is conformable with law, which states that a bid to receive consideration must be within 25 per cent of the engineer's estimate.

At any rate, it must not exceed the engineer's estimate by more than 25 per cent. As a rule, when they come within the limitation set by Congress, they get the job.

Senator Bratton. General, what were you using as a basis for your estimate of the $22,500,000 expenditure in the next six months?

General Brown. We got all of the local officers to make an estimate of what work they had been authorized by Congress upon which they could expend the money without delay; that is, within the next, or about the next six months; and that was the limitation. We could not undertake to furnish you an estimate covering a longer period of time, because that would require a long-continued study, in order to get what we would consider to be correct information.

Senator BRATTON. Could you give us an estimate of the number of men that will be employed by the Government and by the contractors under the $60,000,000 appropriation when it becomes available?

General BROWN. I estimate that annually, that $1,000,000 will correspond to about 1,000 men, giving direct employment, either by the contractor or by the Government.

Senator BRATTON. That is, continuous employment for a year?

General BROWN. Yes. And the $22,500,000, given under this authorization, I estimate would correspond to about 22,000 men for a year, or 45,000 men for six months.

Senator BRATTON. Then regarding the $60,000,000, your estimate would be for about 60,000?

General BROWN. Yes; 60,000.

Senator BRATTON. For a year.

General BROWN. Yes.

Senator MCKELLAR. In the cases where you do the work direct, not by contract, using day labor; what is your policy with reference to the prevailing wage?

General BROWN. The regulations require us to pay the average wage in the district from which we draw the labor.

Senator MCKELLAR. General, there was some complaint made some time ago that men in many of the districts were put on so many days a week instead of a full week or instead of discharging them from the job. Can you tell us anything about that?

General BROWN. No; I can not. I do not know that of my own knowledge.

Senator MCKELLAR. I do not know it of my own knowledge either, General.

General BROWN. We have no information to that effect, Senator.

Senator MCKELLAR. Would you mind looking into that, General, if you please, and letting me know just what the situation is? I do not think that it is permanent, at all.

General BROWN. Yes.

Senator BRATTON. General, in selecting these projects to be included in your accelerated program, did you take into consideration the unemployment situation?

General BROWN. No, Senator, except generally.

Senator BRATTON. Generally?

General BROWN. We did not take a place, try to pick out a place and find out how the employment situation was in that particular locality and allocate money on account of that situation.

Senator BRATTON. You did not do that?

General BROWN. No.

Senator BRATTON. You just selected your projects that were ready for immediate work without reference to the unemployment situation in the area?

General BROWN. We knew when we did that, however, that there would be a great deal of work in the southern part of the country, during the winter period; although there is a great deal of work around the lakes that needs to be done.

Senator BRATTON. When the $60,000,000 becomes available, in selecting your projects, do you think that it is wise to give precedence to the places where unemployment is acute?

General BROWN. No; I think it will work itself out automatically. I think that where you have the shipping business, where you have more tonnage, you will have the largest number of men unemployed, in those localities where they have been laid off, so eventually I think that it will work itself out all right.

The CHAIRMAN. Are there any further questions that you would like to ask of General Brown?

The committee will stand adjourned until 10 o'clock a. m., tomorrow.

(Thereupon, at 3.55 o'clock p. m., an adjournment was taken until 10 o'clock a. m., Wednesday, January 7, 1931.)

DROUGHT RELIEF AND UNEMPLOYMENT

LA FOLLETTE RESOLUTION

WEDNESDAY, JANUARY 7, 1931

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The committee met, pursuant to adjournment, at 10 o'clock a. m. in the committee room, Capitol, Hon. Wesley L. Jones presiding.

Present: Senators Jones (chairman), Smoot, Hale, Phipps, Oddie, Pine, Copeland, Hayden, and Bratton.

STATEMENT OF COL. ARTHUR WOODS, CHAIRMAN OF THE PRESIDENT'S EMERGENCY COMMITTEE FOR EMPLOYMENT

The CHAIRMAN. Colonel Woods, give your full name to the reporter.

Colonel WOODS. Arthur Woods.

The CHAIRMAN. You are the head of the unemployment bureau?

Colonel WOODS. I am chairman of the President's Emergency Committee for unemployment.

The CHAIRMAN. You have read Senate Resolution 376; have you?

Colonel WOODS. Yes, Senator.

The CHAIRMAN. You will see that you are called here to enable us to ascertain, first, any information in your possession relating to the extent of unemployment; second, measures for the relief of distress caused thereby in the various cities and States of the country; third, your recommendations concerning the extent to which public works must be expanded if a substantial reduction in unemployment during the ensuing year is to be brought about.

I want to suggest to the committee that the colonel take up these paragraphs in their order, and deal with the first paragraph before we go to measures for relief that he may have to suggest. The colonel has no written statement, so that as he proceeds any member of the committee may ask any questions that he desires.

Colonel, you may proceed with a general statement, giving any information in your possession relating to the extent of unemployment throughout the country. First, I think probably it might be well for you to describe your committee.

Colonel WOODS. Would you like to have me describe the committee before I touch the first paragraph?

The CHAIRMAN. I think so.

Colonel WOODS. The committee was formed toward the end of October. I think the 22d of October was the date. The President asked me to come down and see if I could help in the unemployment situation. I had been with him before, when he was Secretary of Commerce, in 1920 and 1921, working on a similar thing. Previously to that I had been, just after the war, assistant to the Secretary of War, trying to assist in getting the soldiers back into civil life, seeing that they got jobs again; so I came down and went to work.

The first thing to do seemed to be to try to meet the situation that existed. I shall run into your first paragraph here now, as we go along. Please stop me if I get off on a slant that you do not want.

Senator PHIPPS. What committee did you form?

The CHAIRMAN. Tell us about the formation of your committee—how many members there are, and where they are located, generally.

Colonel WOODS. They are here in Washington mainly, except that there are some six or seven men who are representatives in the field.

The CHAIRMAN. Where are they located, largely?

Colonel WOODS. There is one man who has the Pacific coast. He is located in San Francisco. Then there is a man who has the Southwest; roughly, Texas, Louisiana, Arkansas, and Kansas.

Senator PINE. What is his name?

Colonel WOODS. Capt. John F. Lucey, Dallas, Tex. Then there is Mr. Harold F. Fabian, of Salt Lake City, who has the Mountain States; Mr. Fred C. Croxton, of Columbus, Ohio, who has 10 States along from Wisconsin right down to New York, leaving out Pennsylvania——

The CHAIRMAN. He takes in New York; does he?

Colonel WOODS. He takes in New York, but omits Pennsylvania. Dr. Joseph Willits has Pennsylvania. Mr. William Phillips has New England, New Jersey, and Delaware. Mr. Frank Bane had the South as far west as Mississippi and up to Virginia and Maryland. He has just come to the Washington office; and his place has been taken by Mr. Thad Holt, of Alabama, who has been secretary of the committee that has been handling unemployment in Alabama.

I think that is the whole lot.

The CHAIRMAN. Do they devote all their time to this work?

Colonel WOODS. Some of them do not devote their whole time to it, but they devote any time that is necessary to their work.

The CHAIRMAN. Do any of them get salaries?

Colonel WOODS. Some of them get salaries; yes.

The CHAIRMAN. Can you tell the committee what salaries are paid?

Colonel WOODS. I can not remember that, Senator. I will send you a complete list, if you like.

The CHAIRMAN. All right.

Senator COPELAND. Give the name of the California man.

Colonel WOODS. The California man in Willard Hotchkiss.

Senator HALE. Who has New York?

Colonel WOODS. Mr. Croxton has New York.

Senator ODDIE. Is Nevada included in the Intermountain States?

Colonel WOODS. Nevada would be included in the Pacific coast—Mr. Hotchkiss.

Senator ODDIE. With California?

Colonel WOODS. Yes; with California.

The job of these men, Senator, if you would like to have me tell you that, is simply to be of whatever service they can. They go to see governors and mayors or committees as they are formed with the idea simply of being in service, of bringing to any individual governor or mayor or chairman of a committee or a committee that is formed to meet this situation any information that they can bring as the result of the experience of other cities, so as to help the local committees, mayors, or chairmen in their work.

The CHAIRMAN. They also seek for information regarding conditions in their respective territories; do they not?

Colonel WOODS. They seek information regarding conditions only from that point of view, so that they can inform themselves as to methods that are being used in any place, and have that information available for other places.

You see, we have often been asked this question. A governor will call up, or a mayor will call up, or a chairman of a committee will call up, and will ask, "What is your plan? We should be glad to adopt your plan and put it in practice. What is it?" Of course, we have not any one plan, we could not have a plan that would be applicable to the different parts of the country equally. We have to work out certain principles which seem wise; but the best help we find we are able to give people who want to know about these things is to furnish them with the experience of other cities, so that they can learn from that what has been done, and what has been found successful and unsuccessful in other cities, and then they can adapt it according to their knowledge of the local conditions in their own localities.

The CHAIRMAN. Can you give us the principles that you have worked out? You said you had worked out some principles.

Colonel WOODS. The first principle is that the main thing, if you can possibly do it, is to get a man a job. There is the first principle. Relief is a secondary thing. If a man can get a job, that is the great thing. Therefore, the first principle is to try to see to it that everything possible is done to get jobs for men; if they can not be full-time jobs, get them part-time jobs.

Then as to a principle of organization, it has been found in places where the situation is most serious that it is a good plan to have a special committe, a special governor's committee or a special mayor's committee, to meet the situation of unemployment and distress needing relief.

Those committees are usually representative committees. The principle for the formation of those committees is along those lines, that they should include the major groups of people interested. They usually include representatives of employers, representatives of labor, representatives of State welfare organizations, representatives of private welfare organizations, and then others as they come in fitting the particular localities.

That organization, that method of organizing by committees, by different State committees and by different city committees, has gone generally throughout the country where the need is great. Many States do not consider that their need is great enough to have any special thing like that, and they work through their regular organizations.

Senator COPELAND. Is your work largely in the cities, Colonel?

Colonel WOODS. It is largely in the cities.

Senator COPELAND. Is the Red Cross looking after the country?

Colonel WOODS. The Red Cross is looking after the country which has been affected by the drought, but not otherwise.

The CHAIRMAN. The first division of the resolution calls for any information in your possession relating to the extent of unemployment. Just proceed in your own way, and tell us about that.

Colonel WOODS. As to the extent, Senator, the principal thing I can say is that there is altogether too much of it. The way in which these unemployment situations and business depressions come about does not speak well for our composite leadership in this country. We

used to look upon these things as inevitable, like a storm. You had to reef in your sails, and sit tight, and wait until it passed over. We are getting to have the feeling now that that sort of thing is not inevitable, and that it can not be permitted to be inevitable.

That is the first thing I want to say on that subject.

The second thing is as to the numbers. You want some sort of estimate as to the numbers. That is an important thing, and is a thing we have been trying to get at, as to how many unemployed there are in the country. There are various estimates made. There was the census—the regular United States census, which was taken last April—which had certain figures of unemployment.

The CHAIRMAN. State the figure of the census.

Colonel WOODS. As I remember, the figure of April of the number of people completely unemployed was two and a half million. Then there have been various modifications of that as time has gone on, according to the estimates made by the statisticians from returns that have come in, showing the increase or decrease of employment in different lines. There have been careful estimates made by the American Federation of Labor.

The CHAIRMAN. What is their estimate; do you know?

Colonel WOODS. Of course they change every month. I do not remember the last one.

Senator BRATTON. Has it increased from month to month?

Colonel WOODS. It has increased during the last two or three months; yes.

Senator COPELAND. Is it still increasing?

Colonel WOODS. The last month showed an increase over the previous month.

Senator COPELAND. What is your estimate?

Colonel WOODS. According to the best estimate I can come to, Senator Copeland, trying to get all these estimates in together and trying to get an average out of all, trying to have the light that they all throw take effect upon my estimate, I should say that there are somewhere between four and five million.

Senator BRATTON. Now?

Colonel WOODS. Yes.

Senator BRATTON. What was the number 30 days ago?

Colonel WOODS. I do not know; I should say nearer 4,000,000 than now.

Senator COPELAND. It is increasing, is it?

Colonel WOODS. I should say it has been increasing up to the present time.

Senator ODDIE. At this time of the year, what is the normal number of unemployed?

Colonel WOODS. That I can not tell you.

Senator ODDIE. Is there any way of estimating that to show that there is in normal times a certain number of unemployed?

Colonel WOODS. Of course everyone knows that there is a certain number of unemployed in normal times. That has been estimated at a million.

Senator ODDIE. So, in estimating the extent of this unemployment, we should have the difference between that normal number and the excess number that exists to-day?

Colonel WOODS. Yes.

Senator BRATTON. What is your judgment as to whether it will continue to increase during the remaining winter months?

Colonel WOODS. It is pretty difficult to get a judgment on that that is based on anything that is sound. My feeling is that the situation is not apt to improve until the spring comes.

Senator BRATTON. Is it your judgment that it will remain stationary, or will it increase?

Colonel WOODS. I really have not much of any judgment about that, as to whether it will remain stationary or increase. I think that during January and February employment is apt to be at its lowest. As to whether it is likely to go a little lower during the rest of January and February than it is now, or whether it is apt to stay right along about as it is now, is a matter on which I have not any judgment.

Senator COPELAND. Did you see the statement yesterday of Mr. Seward Prosser, who is chairman of the emergency employment committee in New York City? Did you happen to see that?

Colonel WOODS. No; I did not see that.

Senator COPELAND. He says the unemployment situation is acute, and distress is increasing; and they called upon the city for $10,000,000 in addition to the $8,000,000 which philanthropic citizens gave. That is in New York City.

Senator SMOOT. I see that the press this morning states that the automobile industry and one or two others have been putting a good many men to work in the last few days.

Colonel WOODS. Yes.

Senator COPELAND. Colonel, is there a distressing amount of unemployment in the country?

Colonel WOODS. Oh, yes, Senator Copeland; I should say that any unemployment is distressing.

Senator COPELAND. So far as you know, have we had a situation like this before?

Colonel WOODS. The situation in 1920 and 1921 was very much like this.

Senator COPELAND. As bad as this?

Colonel WOODS. That is hard to say; but I should think it was quite different. It is hard to get an exact comparison.

Senator COPELAND. Did it continue as long?

Colonel WOODS. I should think that if we say now that we are about dragging along on the bottom, and due to go up, the thing would not be substantially different from 1920 and 1921; but there again, you see, it is a matter of estimate. In order to try to get the figures as well as they can be got, and not have to rely upon things that were too much in the nature of an estimate, it was determined to take an unemployment census, as you all know, which will be taken the middle of this month. That is to be taken by the regular census organization; and, as I understand, in so far as is possible, they are going to have the same organization and the same enumerators that they had in April, so that whatever errors there may be will be constant errors, and a comparison will be possible as between the results found last April and the results found in the middle of January.

This census ought to show the thing at its worst. In the first place, it is being taken at about the worst period of the year. The middle of January is a pretty low period for employment. There-

fore, it will be about at its worst then. In the second place, it is being taken in the big cities, and only in the big cities; and it is in the big cities that we have found that the unemployment situation is at its worst. So that the figures that come out as a result of the census ought to be as accurate as such figures can be, in the first place, and in the second place ought to show the thing at its worst.

The CHAIRMAN. What is the population of the cities that will be embraced in that census?

Colonel WOODS. I can not tell you.

The CHAIRMAN. What is the minimum? Do you know, Colonel?

Colonel WOODS. I can not tell you.

The CHAIRMAN. Can you find out from the census people, and put that statement in the record?

Colonel WOODS. Yes.

Senator BRATTON. What did the last figures compiled by the American Federation of Labor show the unemployment to be?

Colonel WOODS. That is what you asked me before, Senator. I was sorry to say I could not remember. Perhaps some one else can give those figures.

Mr. DARWIN J. MESEROLE (president of the National Unemployment League). Five million three hundred thousand.

Senator BRATTON. How recently was that estimate made?

Mr. MESEROLE. That was about a couple of weeks ago, as I understand.

Senator COPELAND. What are we going to do about it, Colonel?

The CHAIRMAN. Are we through with the first part of the resolution?

Colonel WOODS. We are still on the first point.

The CHAIRMAN. The measures we are to take are covered in another paragraph.

Senator COPELAND. Is it conceded that there is widespread unemployment?

The CHAIRMAN. I think so. I think that is conceded.

Senator COPELAND. I did not learn that yesterday.

The CHAIRMAN. If no one desires to ask the colonel any other questions regarding the first paragraph of the resolution, we will go to the second.

Senator BRATTON. I want to ask a question. Did you say awhile ago that your judgment is that we have about four and a half million unemployed now?

Colonel WOODS. I said from four to five million.

Senator HALE. Does that mean all over the country, or just in the cities?

Colonel WOODS. That means all over the country.

Now, Senator, if I may slide from the first point in the resolution into the second——

Senator BRATTON. Before you leave the first point, how many laboring people—that is, salaried people gainfully employed—have we in this country during normal times?

Colonel WOODS. I will send you that information as well as I can get it.

Senator COPELAND. Forty-six million.

Colonel WOODS. Salaried people? Does that answer your question?

The CHAIRMAN. I think there are more than that, Senator.

Senator COPELAND. No; that is the number. Twenty-three million are employed as manual laborers and as workers on farms, and the others are the white-collared class; 46,000,000 altogether.

The CHAIRMAN. That embraces municipal employees, too?

Senator COPELAND. Yes. I gave you those figures as reported by the census soon after the report came out.

Senator BRATTON. This unemployment is most acute in the cities or industrial centers?

Colonel WOODS. Yes.

Senator BRATTON. You have made no survey of the rural sections, have you, Colonel?

Colonel WOODS. No; we have made no survey anywhere. We have simply tried to be of service to the local authorities wherever we could. We have not made a survey to attempt to estimate the amount of unemployment.

Senator BRATTON. How have you been of service to the local authorities?

Colonel WOODS. That leads me into this question: When we found, as we already knew, the impossibility of getting definite figures on the thing, our aim was to assist the different localities who are trying to meet the situation, State and city, so to organize as to meet whatever might come.

The important thing is not to count the unemployed; it is to do something for them. The important thing is not to be able to give statistics about them; it is to try to see to it that they get jobs, if possible, and, if they can not get jobs, that they get relief. It is an impossible situation that we should allow to continue, to have people in the country who are good workers, able to work, ready to work, eager to work, and can not find a job through no fault of their own. It is an intolerable situation. It is a situation that is utterly foreign to all our ideals as to the nature of our country.

Senator BRATTON. Can you tell us briefly how you have assisted the local authorities in getting employment for local people?

Colonel WOODS. The main thing we have been able to do, Senator, is to act as a sort of a clearing house. We have been able to give to any locality that wanted it information as to the methods that have been found available in other localities, so that they could use and adapt such of those as they wanted to their own needs.

Senator BRATTON. Tell us what those methods are.

Colonel WOODS. You mean with reference to finding employment?

Senator BRATTON. Yes.

Colonel WOODS. In the first place, as of course you all remember, about a year ago last fall the President called together representatives of industry and labor in view of the indications of depression, and he urged upon them that they keep up the normal course of industry so far as they could, particularly that wages should not be reduced, and that there should not be strikes. That has been very largely true—that during the course of the past 12 or 15 months there has been a minimum of anything in the way of labor disturbances, and to a very extraordinary extent the wage level has been maintained. That has meant a good deal of employment that might otherwise not have taken place.

There is the situation as to industry. The committees that are formed in some parts of the country have regular subcommittees

which go from shop to shop and from house to house, trying to see if people can not give work. We have never found that it was successful in any neighborhood to try to make work that was not sound work to have done, except as they have been doing in New York. Instead of relief, for instance, this Prosser committee that Senator Copeland spoke about has been giving certain pay to people, and putting them to work on what they call, I think, nonproductive work in the parks, and various places like that. But we try to see if people can not find jobs that they can give, even if they are odd jobs, even if they are only for part time, and even if they are for only a few hours—various jobs that can be given.

I had a report just two or three days ago, for instance, from the man in charge of unemployment for the Knights of Columbus, with whom we have been in touch, and who have employment agencies working with existing central agencies in the cities where they are active. He pointed out that in a certain period, whatever it was—I think it was a period of two weeks—they had found, through their employment agencies in the country, just short of 2,000 jobs. Five hundred of them were in Detroit.

That was the principal thing; and then it ran down to a number of cities in which they have found as many as four or five jobs for people during this period. But that is being done through the country very generally. Where there are special unemployment committees, they are trying to bring to the attention of people who would have jobs to give, that they should give them. It has been pointed out that now is a good time to have work done, because the cost of materials is quite distinctly lower than it was, and it is a good time to get done work that has to be done anyway—to anticipate it, and do it now.

Senator BRATTON. Colonel, that seems to be what the local committees are doing. The thing I should like to have you discuss is what your committee is doing.

Colonel WOODS. The principal thing that our committee is doing, Senator, is trying to be of service to local committees.

Senator BRATTON. Let us be a little more explicit about that. In what way is your committee rendering service to local committees?

Colonel WOODS. The principal way is, as I have been describing, by giving to any local committee that wants it full information about the experience of other local committees, so that they can apply the lessons learned from that experience, and the successes that have been achieved, to their own local situations. That is one way in which we have been of use to the local committees.

The CHAIRMAN. That is, these men in the different sections of the country that you have named have given counsel and advice and help along these lines to the local people?

Colonel WOODS. That is one way in which we do it; and then we do it by mail, and we do it by telephone.

Senator BRATTON. About all you have been able to do thus far, though, is to tell the local committee in a given community to do everything possible to prevent reduction of wages, dismissal of employees, and other things to stimulate business? Is that a fair statement?

Colonel WOODS. That is a fair statement of part of it. I think we have been able to be of service to them in all sorts of ways other than those you mentioned which would meet their particular situations.

For instance, our men go there and work over the whole thing with them. We are in session sometimes for hours and sometimes for days with them, talking over the whole thing, and working out the best plans of campaign; and we have given them the information we have so that they can apply it to their own particular localities through the strongest possible use of existing organizations and agencies.

Senator COPELAND. Are you speaking now, Colonel, about emergency activities, or about general reconstruction so that men might be given permanent employment?

Colonel WOODS. No; at this time I am speaking about the emergency work.

Senator COPELAND. Did you, for instance, take up the apple selling? Did you give some study to that?

Colonel WOODS. I bought one or two of them.

Senator COPELAND. We put 5,000 men to work at that in New York.

Colonel WOODS. Yes.

Senator COPELAND. Then it developed into a racket.

Colonel WOODS. Yes—characteristic of New York.

Senator COPELAND. Characteristic of New York and other great cities; but we did sell a lot of Washington apples. I think the chairman of the committee will be glad to hear it.

The CHAIRMAN. I am delighted to hear it. I have been delighted to see them around on the street corners selling those fine apples, too.

Senator COPELAND. As a matter of fact, we did put 5,000 men to selling apples in New York, and I think over a period of a few weeks it did a lot of good; but it finally developed into a racketeering problem. The Washington apple men raised the price of the apples, and made it difficult for us to proceed in the matter.

The CHAIRMAN. All the reports I get with reference to the Western apples are that the prices are very low, much lower than they were some time ago.

Senator COPELAND. They are higher than they were at the beginning of the campaign.

Senator ODDIE. Colonel, in the summer I wrote the President suggesting that a conference be had with the railroad officials in the Western States in regard to the employment of large numbers of aliens on the railroads. I suggested that during these times of stress these aliens could be replaced by Americans who are anxious to get that work. The President told me that he had referred the matter to you. I should like to know what progress has been made along that line. Many thousands of aliens are being employed by these railroads constantly; and there are many thousands of Americans who need the work that these aliens are doing.

Colonel WOODS. I have not yet received that communication, but I am for America first.

Senator ODDIE. I should like to know if anything has been done such as I suggested in counseling with the officials of the railroads in trying to make them see that it will cost them no more to employ Americans for this particular class of work than it does to employ aliens.

Colonel WOODS. It will make a point of looking that up.

Senator ODDIE. I will mean, if something is done about it, that many thousands of Americans can be given good, wholesome, outdoor work.

Senator COPELAND. What would we do then with the aliens—push them off the dock?

Senator ODDIE. No. That is a problem that could be given attention.

Senator SMOOT. The Americans would have to know something about the work before they could do it.

Senator COPELAND. If these other men are legally within our borders we can not let them starve, even if they are aliens.

Senator ODDIE. I think Americans are entitled to positions paying wages first. Then, if any help must be given it should be given to those who are actually hungry and in need, even though they may be aliens; but Americans are entitled to good wages first.

Senator COPELAND. Colonel, is there anything that Congress can do to help you in your problem? Is there any sort of legislation that we can enact? Are there any appropriations that we can make? Is there anything that we can do of value to relieve the distressing conditions you have named?

Colonel WOODS. You bet there is, Senator.

Senator COPELAND. Then let us hear what it is.

Senator PHIPPS. That would come under item 2 of this resolution. I want to ask the Colonel first to state whether his committee has taken the initiative in seeing that committees on unemployment are instituted where they do not exist in these various localities. That has been your effort—to see that these committees are instituted?

Colonel WOODS. Yes; that is it.

Senator PHIPPS. And to coach them as to how they shall go about their duties?

Colonel WOODS. That is it; in places where it is needed. Of course there are a good many localities where they do not think they need such things.

Senator COPELAND. It is conceded, Mr. Chairman, as I understand, that we have a distressing amount of unemployment—so much unemployment that the President has seen fit to appoint a very efficient man in charge of this work.

Colonel WOODS. I appreciate that, Senator.

Senator COPELAND. Now the question is, what recommendations can he bring us and point out to us our duty in this emergency? He has made the diagnosis. Now, what is the remedy?

The CHAIRMAN. That is the third paragraph of the resolution.

Senator PHIPPS. The second.

Colonel WOODS. Shall I slide right into that?

The CHAIRMAN. If there are no further questions with reference to the second.

Colonel WOODS. I have some more to say on the second.

Senator COPELAND. The Colonel says he has more to say on the second. We had better wind that up, I suppose.

The CHAIRMAN. Yes; let us wind that up.

Colonel WOODS. Besides what we have discussed, we have been in touch with a great many organizations—if you like, I can send you a complete list of the organizations—with the American Legion, the Knights of Columbus, the Hebrew Welfare Society, the Y. M. C. A., the Y. W. C. A., and an enormous number of organizations, all of which want to help.

Senator COPELAND. The Salvation Army?

Colonel WOODS. The Salvation Army.

Senator BRATTON. Please supply that list.

The CHAIRMAN. And supply the substance of their recommendations, if they made recommendations.

Colonel WOODS. The principal thing they have done is to ask how they can help; and they can all help in different ways. But the main way in which we pointed out that all of them can help is to back up the main effort that is being made in their locality to meet this situation. If there is a committee on unemployment in their locality, the main way in which they can help is to concentrate the effort, and avoid overlapping and stepping on each other's toes, and back up the main effort which is being made; and the effort of these organizations has been very powerful.

I will send you a list of those organizations.

Senator COPELAND. There was some difficulty, I think, Colonel, in bringing about that spirit of cooperation in the first place.

Colonel WOODS. I am glad you suggested that, Senator Copeland, because I have been overwhelmed at the spirit of cooperation right through the country. The moment I landed here, I found that every one was keen to do whatever could be done to meet this situation.

I wanted to lose no time, because of course time was terrifically important with people suffering all over the country; and one day I tried to talk with every governor in the country. I got 44 of them. Four escaped me; but I talked with the representatives of the other four. They were away, for some good reason or other. There was not one of those governors who was not ready to cooperate and eager to cooperate in any way he could, and asked for information, and furnished information; and there was not one governor who did not go at this thing simply with the purpose, as far as I could see, of doing everything he could to help and to cooperate with the President's committee. Every one who was in a position to help has offered his help. It has been one of the easiest jobs I ever had as far as having plenty of people to help is concerned. There has been no discordant note.

Senator BRATTON. Have you conferred with the heads of departments here in Washington as to what the Government could do toward speedingup the program and combating the situation?

Colonel WOODS. I have done that largely; but you have had those men here yourself, I think, and you got the information at first-hand from them.

Senator BRATTON. Yes.

Colonel WOODS. I find a general disposition to do everything that can be done.

Senator BRATTON. We have had them here; but my question was whether you have conferred with them.

Colonel WOODS. Yes; I have.

Senator COPELAND. Is there a working arrangement between your organization and the Red Cross so as not to have any overlapping?

Colonel WOODS. Oh, absolutely. We have been in consultation right along.

Senator COPELAND. Is there a line of demarcation between the activities of the two?

Colonel WOODS. Yes; there is no clash there at all. That is working just as well as it could work.

Senator HALE. Colonel Woods, as I understand, there was a similar situation as far as unemployment was concerned in 1920 and 1921.

Colonel WOODS. Yes.

Senator HALE. At that time the Government did not take any steps to remedy the situation; did it?

Colonel WOODS. It did not take anything like such comprehensive steps; but you remember that President Harding called a committee of nearly one hundred citizens under the chairmanship of the then Secretary of Commerce, and that committee came and sat and met and deliberated for three or four days, and then it left behind it an executive committee which tried to do as general a job as it could—a sort of clearing-house job. I was chairman of that committee.

Senator HALE. But nothing much was done?

Colonel WOODS. Nothing much was done, in spite of the chairman.

Senator HALE. And as a result, wages dropped, and there were strikes and disturbances all over the country; but the matter finally readjusted itself?

Colonel WOODS. Yes.

Senator HALE. At the present time, the Government has decided to take a hand and see if it can remedy the situation. Is that correct?

Colonel WOODS. That is it; and it is a much more organized and comprehensive thing.

Senator HALE. And we hope it can be done without allowing wages to drop down, and we hope that strikes and matters of disturbance can be avoided.

Colonel WOODS. And we hope distress is going to be avoided. We hope every community is so organized as to be able to take care of any cases of distress in its neighborhood. I have confidence that that is the situation; and by organizing in this way, gentlemen, by having the organization a local organization, managed by men who are the neighbors of those who are in trouble, who know the local conditions, we feel that we have the only organization that could effectively work with the situation, because, as I said a moment ago, we do not know just what is the extent of unemployment. Therefore the aim has been so to organize the country, so to help the country to organize itself, that it could meet whatever conditions might arise.

Senator SMOOT. You have no doubt but that the Red Cross is willing to carry on this work to the limit?

Colonel WOODS. The Red Cross does not fit into this picture at all, Senator Smoot. The Red Cross is working only in the States where there is drought. The Red Cross is not working in the rest of the country.

Senator COPELAND. It is not working at all in the cities, Judge Payne said yesterday.

Colonel WOODS. No; the rest of the country is being taken care of each locality by itself.

Senator SMOOT. They are taking care of the country outside of the cities pretty well; are they not?

Colonel WOODS. The Red Cross?

Senator SMOOT. Yes.

Colonel WOODS. The Red Cross is not active except in the drought States.

Senator BRATTON. It is not dealing with the unemployment situation there?

Colonel WOODS. Only as it is complicated with the drought situation. It is often impossible to distinguish between the two; but the drought the Red Cross is trying to meet.

Senator COPELAND. We were assured yesterday that they have ample funds to relieve personal suffering.

Senator BRATTON. Yes; but so far as furnishing employment is concerned, the Red Cross is taking no interest in the matter.

Senator COPELAND. There was no evidence yesterday that they were doing anything with unemployment.

Senator BRATTON. So that the two undertakings are entirely apart from each other?

Colonel WOODS. That is it.

Senator HALE. But the relief of personal suffering, as far as the Red Cross is concerned, is simply relief in the drought-stricken area?

Colonel WOODS. That is it.

Senator SMOOT. They go further than that.

Senator COPELAND. I did not take it that way yesterday. Judge Payne said yesterday that they are going everywhere.

Senator SMOOT. Yes; they are. They have their organization everywhere in the United States.

Senator COPELAND. I do not see that there is the slightest conflict between the two organizations. The Red Cross is taking care of personal human suffering where for any cause it has arisen, while Colonel Woods is seeking to find some relief of the cause of that suffering where it is due to unemployment.

Senator BRATTON. The Red Cross takes a basket of food or a package of clothing to a man, and the colonel goes along to help get a job for him if possible. There is no conflict between them.

Colonel WOODS. There is no conflict.

Senator SMOOT. I did not say there was any conflict. I just called attention to the fact that there was an organization here known as the Red Cross, and that it was taking care of the real suffering of individuals, if the statement is true that the Chairman of the Red Cross gave to the committee yesterday.

Senator COPELAND. And he gave us the positive assurance that with four and a half million dollars everything is all right, and that nobody is going to starve.

The CHAIRMAN. He said, if necessary, that their present funds could be supplemented by contributions from the people.

Senator SMOOT. Yes; he said, if necessary, he could get what money was needed.

Senator BRATTON. Reverting to the statement of my friend from Maine that the Government has decided to take a hand, I am impress ed that up to date our "hand" is mostly talk.

Senator SMOOT. No; appropriations have been made.

Senator PHIPPS. We have made increased appropriations for roads for public buildings, and other departments of the Government as well.

Senator SMOOT. Your State got about $450,000 for road building alone, over and above what you would have gotten if Congress had not acted.

Senator BRATTON. I am talking about the delay.

Senator SMOOT. That is in Congress.

Senator BRATTON. It is our fault.

Senator SMOOT. If they are delayed, that is the fault of Congress.

Senator COPELAND. The impression I have had up to this morning is that the situation has been minimized. It has not been pointed out as a critical thing which demanded radical treatment. I think that is one of our difficulties—that we have not been willing to admit that there is widespread unemployment and distress; and, frankly, that is the one thing that I feel distressed about myself—that we have not been willing to admit that there is an epidemic of social disease of this type.

Senator PHIPPS. There is a difference of opinion on that. I think, through our committees and through the action of the Executive, the administration, we have recognized and realized it, and we have tried in every way to provide the funds to give employment.

Senator COPELAND. Since the Senator has mentioned the administration, I think that is exactly what the administration has not done. It has not made a frank confession of the situation that is existing in the country.

Senator PHIPPS. It has taken action. It is not necessary to go out and publish it widely and advertise it, which might have the effect of intensifying it rather than helping it.

The CHAIRMAN. I suggest that we allow Colonel Woods to testify, and we can testify after he is through.

Senator COPELAND. I do not look upon Colonel Woods as a part of the administration. He is doing a voluntary service, and a splendid one; but that has been the attitude in Washington—to put on the soft pedal, not to admit it; and now we hear that it is because of the psychological effect that might come from admitting that there is widespread unemployment. When I see with my own eyes exactly what is pictured here in this newspaper—thousands of men who want to work and who can not find work—I know for myself, if nobody else believes it, that we have a distressing situation.

Senator BRATTON. In making my statement a while ago, I was not criticizing anybody else. I am criticizing myself as much as anyone. For instance, it came to our attention yesterday that because we had failed to pass one or two bills we are hampering the public-building program. I am willing to bear a part of that responsibility; but I do say that the Government is not moving with the speed with which it should move.

Senator SMOOT. That is the fault of Congress.

The CHAIRMAN. We have called Colonel Woods down here. Let us have him make his statement.

Colonel WOODS. Senator, I hope you will not cut your own statements short, because I am learning a lot.

The CHAIRMAN. We will not cut ours short, but we should like to get through with you. We want to get all the information we can from you.

Colonel WOODS. I have spoken about organization. Now I should like to speak about industry.

One of the striking things I find at this time which is different from other cases is the attitude of industry all through this whole thing. I have had experience in several of these things. One of them was

when I was a deputy police commissioner in New York City in 1908 and 1909, and then again when I was police commissioner in 1914. I was in New York at those times, and the situation was a pretty terrible situation. There was distress; there was hunger; there was freezing. You remember that at one time assaults were led on the churches. At one time one of the police commissioners representing Senator Copeland's party——

Senator COPELAND. Always active in good works.

Colonel WOODS (continuing). Took out of the churches some 80 or 90 people who had sought refuge there.

Senator COPELAND. It was a cold place to get in.

Colonel WOODS. The thing that impresses me now is the difference in trend of industrial thought on this whole thing.

In the old days, when an industrial depression came on the first thing that the head of a business would do was to fire everyone he could, to cut the wages of everyone he kept, to put off all repair work and reconstruction work and new construction work that he could possibly put off, postpone the whole thing; and it was not until after he had done all that sort of thing that he dared to go to the bank and ask the bank to be easy and to extend his credit. And if he had not done that, the bank would have asked him first, "Have you done all you can to trim your sails, to take things in?" That was the prevailing thought. I do not think there was any thought any other way.

Now we find coming into industry an almost wholly different attitude. I do not want to say how far it has gone. I do not want to give the impression that it is wholly characteristic of industry to-day; but I do say that we see signs of it, instances of it, in a marked and a striking way and a definite way. That means that instead of trying to discharge every one they can, they try to keep every one they can. If they can not keep them on full time, they keep them on part time. If they have to discharge people, instead of doing it indiscriminately they pick out for discharge those who can stand it best—unmarried men; men who would be likely to be able to adapt themselves to a different kind of job; sometimes older men who have already qualified for pension. And when they do have to drop men out, they look after their welfare.

Some companies are making loans without interest to employees whom they let go, to be paid back when the employee gets his job back. They back up their credit at the local stores. They let them stay in houses if they are company houses. They give them actual relief.

All that we find going on. Then, with reference to reconstruction and repair work, we find that the tendency is growing, instead of to put off reconstruction and repair work that would be undertaken in ordinary times, to anticipate it. They do now the reconstruction work and repair work that ordinarily would not be done until later. with the idea of trying to fill in the depression and provide work; and they are doing this sort of thing, as far as I can see, not out of charity, not with any idea that is is a welfare move, but because it is good business.

After interviews with representatives of some five or six hundred different businesses, we have prepared a couple of pamphlets giving the experiences and the tendencies and the methods of industry as

represented in those lines, and we are sending those around, and ultimately those two pamphlets will reach practically every employer of labor in the United States. We are working through the trade associations of the country to further that.

We have picked out up to the present time, I think, a total of 10 heads of companies who have given radio talks describing the methods they are using in their companies along these lines. The first talk was given by Mr. Swope, the president of the General Electric Co. Others have been Mr. Leeds, of the Leeds-Northrup Co. of Philadelphia; Mr. Denison, of the Denison Manufacturing Co.; Mr. Teagle, president of the Standard Oil Co. of New Jersey; Mr. Cyrus McCormick, of the International Harvester Co. in Chicago. Colonel Procter, of Procter & Gamble, of Cincinnati, is to follow. I do not think he has given his talk yet. Mr. William Green is going to join the series.

There is a series altogether of 10 men up to the present time. Their talks are all given over the radio, on a hook-up from coast to coast, so that anyone in the country who has a radio can listen in and learn from these men personally just exactly the sort of thing that they have been doing in their industry to meet this thing in the newer way. The rest of the people will be supplied by these pamphlets. If you would like to have me send you copies of those pamphlets, I will do so.

The CHAIRMAN. I think you had better put those pamphlets in our record, as a part of it.

Colonel WOODS. I should like very much to enter them as part of the record.

The CHAIRMAN. How many pages are there in each one?

Colonel WOODS. Oh, they are small.

The CHAIRMAN. I think it would be well to put them in our record.

Senator COPELAND. Colonel, before you leave the topic, you have had a wide experience, not only in this connection but in the police department. Is there any relationship between widespread unemployment and crime?

Colonel WOODS. There certainly is, Senator Copeland. If a man can not get work, the temptation to crime is very great.

I remember an incident, if you will permit me to relate it, that happened when I was in New York on that assignment. A "cop"—that means a policeman, Senator—was walking around the corner of one of the business districts downtown; and just as he got around the corner—there were no people around—he saw a man heave a rock through a big plate-glass window. He went down and touched the man gently on the shoulder; he did not hit him hard—it was my administration—and he took him to the station house.

When he got him to the station house, they got the story from the man. He seemed rather dazed. He said that he had two children and a wife; that they were in a tenement around the corner down there; that there was no coal, no means of heating the place, that there was no food left, and that there was not clothing enough to keep them warm anyway. They had pawned everything they had. It turned out that he was an engineer. He had not been able to get a job; and he asked the lieutenant at the desk, "If you had been in a like situation, what would you have done?" And the report is that the lieutenant said he would be damned if he knew.

There is just an illustration to show the possible relationship between unemployment and crime. Poverty is one of the great causes of crime, gentlemen. Crime is not committed just by people who are born to be criminals, who have different shaped heads, or different colored hair, or anything like that. Temptation, need, utter dismay, utter inability to cope with the situation, to get what they need for themselves and their families, lead to crime. It is a pretty terrible temptation; and that is one of the things I meant when I said at the beginning of this hearing, that this is the sort of situation which can not be permitted to go on. We can not stand many more of these depressions. It is a problem that has to be worked out, somehow or other.

Senator COPELAND. Do you mean that it is a menace to the social order?

Colonel WOODS. Oh, certainly.

Senator COPELAND. You agree with our friend Nicholas Murray Butler that the social order is in danger if poverty from unemployment continues?

Colonel WOODS. I do not think it is in any danger now. I think it is a long way off. I think we got a warning well ahead; but, as I said before, a situation where a man who has a family, and who is ready to work, and eager to work, and competent to work, and has been working, can not find a job through no fault of his own, is a situation which has to make us stop, look, and listen.

Senator COPELAND. You are of the same opinion that you were when you made a notable address before the Brooklyn Institute of Arts and Sciences on the prevention of crime, when you said:

> In my opinion, poverty from unemployment or other causes is the most important and the biggest factor in the question of crime.

That is a quotation from the witness. You still believe that?

Colonel WOODS. It sounds like an intelligent witness, Senator. [Laughter.]

Senator COPELAND. Yes; I judge that, because is in such full agreement with my own thoughst. [Laughter.]

Colonel WOODS. That reassures me.

So much for industry, gentlemen. As I see it, it is the beginning of an industrial evolution toward meeting all this sort of thing. Now, one more point.

Senator COPELAND. Just a moment on that subject. There is need of such a revolution; is there not?

Colonel WOODS. I left out the "r"; I said "industrial evolution."

Senator COPELAND. Of course we believe in evolution. Our friend McKellar is not here, I understand. We believe in evolution. There must be a new thought in industry in order that seasonal unemployment may disappear, and that there may be greater security on the part of the men who are in employment. That is an important thing; is it not?

Colonel WOODS. Decidedly.

Senator COPELAND. Does the present situation prove that?

Colonel WOODS. It confirms it, undoubtedly. This thing that you quoted confirms it.

Senator COPELAND. It confirms it.

Colonel Woods. There are one or two points that I should like to mention. One thing is that we have tried to get the idea into the people generally, into the individuals. I am not talking now of captains of industry or heads of organizations, but individuals, the man and the woman all through the country, that they ought, each one of them, to do what they can under the circumstances, to help out. That is one very definite thing that can be done, and although it is small in individual amounts, when multiplied by the number of people in the country who can do it, it mounts up, and that is what we call colloquially, our "spruce-up campaign," that is, we are urging it, and it is being brought to the attention of every household, every person, to spruce up the house, the home, the rooms, the shop, to do the little repairing that they were going to do, but which perhaps is being put off until a little bit later. We are urging them to try to do it now, to paint the door, the steps, repair the roof to keep it from leaking, and other practical things. We have tried to put a little teeth in this, and we have tried to give that definite thought. We have had prepared a little book. Perhaps you want this too, Senator. This is a little pamphlet, which gives the things about the house which might need attention, so that a person can take that pamphlet and go through her house and look at the things and see whether there are repairs that are needed, and if possible have them made at once. We have taken the position that that kind of work is the most valuable work that can be given in this present emergency, not merely because it gives a job and work to somebody, but by giving a job to an individual you thereby give indirectly a job to three other individuals to provide him with tools and equipment, and with the things he purchases to maintain himself, clothing, food, and so forth.

It not only gives employment and aid to the unemployment situation and aid to the unemployed, but it does not increase the stock of already overproduced commodities that exist in the country to-day. In other words, it increases the buying power without at the same time increasing overproduction, so that is the sort of thing that will help every person, because in doing this they are improving their homes, and they are making needed repairs to their homes, stopping the roof leaking, and other things of that sort.

Senator Copeland. And, put a window in a dark kitchen.

Colonel Woods. Yes; put a window in a dark kitchen, or some improvements to the house, or another room.

Another thing that we are urging is the putting in of labor-saving devices, washing machines, and things of that kind in the kitchen, various things like that, and we have worked that out in this pamphlet, which will show what can be done.

Senator Copeland. Connect up the outside water supply, bring that in?

Colonel Woods. Yes.

The Chairman. You can just put that in the record, too.

(The pamphlet above referred to is as follows:)

Colonel Woods. That is a subject which we are urging with all of the localities, which we are urging all over the country, without any exception.

I said a little while ago we did not have any plan of organization which we are urging for the country, because conditions are different,

because we believe that wherever that can take place, it will not only do good in connection with the unemployment situation, but it will improve the American home, and there is no difference of opinion among any of us as to the need of improving the American home and the value there is to that.

Now, there is that. Then, the women have been organized, as never before. We have a special division headed by a woman for work with women, and then the things that the women do, as I said before, are the things which we are urging particularly all of the people in the United States to back up, to unify the committee effort in that way.

And the women's organizations are backing up the committee efforts and making easier the work of the committee, we think, all around, because they have this powerful support back of them.

Senator ODDIE. After this period of depression has passed, there will be a better civilization in our country because of the fine educational work you are doing among the masses of the people.

Colonel WOODS. We hope so. We very much hope so.

Senator ODDIE. The results will be helpful and permanent?

Colonel WOODS. We have had no disagreement on that. Of course, as Senator Copeland pointed out, we are a nonpartisan organization. We have no objects except to be of service in this situation and we are working for a single purpose, for a set purpose of that kind, and service is our watchword.

Senator COPELAND. I would like to offer this suggestion, that some of the mattresses in the spare bedrooms be made over during this time. That would aid in other respects, as well as giving work to somebody.

Colonel WOODS. That is an excellent suggestion, Senator. You have spoken from the heart.

Senator COPELAND. Yes; I have scars and marks on my body now.

Colonel WOODS. Previously, I have been talking mostly about jobs, employment, and how to get jobs, and get people to do the things that ought to be done, and so on.

We recognize that in a time like this, of course, it is a good thing to have everything like that done. That is the best kind of relief, because that can be done in the locality and shared in by the neighbors. That is a neighborly duty, according to our whole civilization.

And, we have devoted ourselves to that, and advised people as to ways that work is being done, as we say among ourselves, when an examination has been made, as to what has been done in other cities and other localities throughout the country. We give them examples of the sort of things that they can do or that can be done by them.

Then, we come to the question of transient unemployment. For instance as to transient unemployment, some States say that they can take care of their situation all right, but they are swamped by transients coming in, people who are not residents of their State; they come in because they are attracted by a warm climate, the generous hearts of the people, or reports of jobs there, or relief is easy, or something like that, that they come in and simply swamp the local cities and the questions are being asked us as to how should this be handled.

We are trying to study it out as to the best way to handle it. In connection with the transient question, we are convinced that the thing to do is to recognize it and we have concluded it to be a local problem and that they have got to be taken care of in the same way as any of the local people.

At the same time we are doing everything that we can to spread the word in every way that we can, urging people not to travel, urging unemployed people not to leave their homes, pointing out that they have a definite hold on their home community, that they have no hold on the communities into which they go, that they are among their neighbors and friends, and that they will look after them as well as they can and, of course, suggesting that we believe they will be looked after if they stay home, but that they can not make connections, and all that sort of thing, if they move.

Senator HAYDEN. Colonel, what are you doing to get the word to those who are inclined to leave home seeking work?

Colonel WOODS. Radio, newspapers, radio, newspapers. Those are the common words. I may say that we have had excellent cooperation by the radio companies, the moving-picture companies, the newspapers, magazines, the advertising people. They are all ready to do anything that we ask them to do to get that word out.

Senator HAYDEN. We have that situation to an aggravated degree in the Southwest at the present time.

Colonel WOODS. Yes.

Senator HAYDEN. For the reason that should the people decide to get out on the road, attracted by rumors of employment, particularly in connection with the widely advertised work that is in progress on the Colorado River, at Boulder Canyon, Senator Oddie will bear me out in this, on both the Arizona and Nevada sides of the river, a great many people are coming there, although we have done all we could to tell them in every way that there is no work available.

But, unemployed and distressed mechanics and laborers are rushing in there, which imposes a terrific burden on the local communities, more than they can possibly stand. It is a most serious situation.

I realize that what you are doing in the way of publicity is an excellent thing, but is that word getting to the man who has an automobile and can get on the road and look for a job?

Colonel WOODS. Well, that is what we are trying, of course, Senator, and the results will have to show, but, if you could think of some other method that we could use, if you could suggest any way or anything to us, we would use it.

Senator ODDIE. The city of Las Vegas is the closest to the dam and is the greatest sufferer of any place in the country from the unemployment condition. The Department of Labor has recently, in cooperation with the Governor and Labor Commissioner of the State of Nevada, Hon. William S. Royle, established a new labor bureau in Las Vegas. They are publishing very extensively the fact that people should not come there looking for work at this time, because it will take the Government considerable time to do the preliminary work which is necessary before the very heavy work can start on the building of the dam. I will say that the Department of Labor and the Nevada State Administration have done very excellent work in handling this difficult problem. I also want to commend the officials and people of Las Vegas for their splendid work in this matter.

Senator HAYDEN. Nevertheless, unemployed men continue to come.

Senator ODDIE. Yes. The newspapers have helped very materially in getting the real facts to the working people of the country.

Senator BRATTON. Have the radio companies placed their broadcasting facilities at your command?

Colonel WOODS. Yes.

Senator BRATTON. They have cooperated?

Colonel WOODS. Yes; they have cooperated very heartily.

Senator HAYDEN. Have you issued any circulars on this transient situation?

Colonel WOODS. We have gotten out a circular letter. I do not know whether it has been broadcast yet. We did send out a circular letter. Do you know whether it has been sent out or not?

Mr. LAWRENCE. I doubt it very much.

Senator COPELAND. I hope that you will put a lot of them on the Mexican line.

Colonel WOODS. A lot of these circulars.

Senator HAYDEN. It is not from that source that the complaint is coming. Lawful Mexican immigration has been greatly checked by the action taken by the State Department in refusing visas. A larger border patrol is needed to stop illegal entry of aliens. The kind of people that the communities in the southwest have to care for are American citizens out of work who happen to own automobiles. Conditions where they have been living are not good. They hear rumors of better opportunities for work somewhere, and they proceed to move, as I described to the committee yesterday. The best that can be done in New Mexico and Arizona and elsewhere in the Southwest is to try and provide for the families that arrive who have had hard luck on the road, perhaps extra automobile repairs, that were not expected, or probably some sickness. The best that local communities can do, as I have said, is to give them a square meal and furnish enough gasoline and oil to move on out of the county. That is what is happening.

That condition did not exist in the old days. Nobody thought when a man was driving through the country with a wagon and team that he should be provided with hay and grain for his horses or that his family should be fed. But this quick modern transportation by automobile piles up a large number of people so suddenly on the community that the local officials realize instantly that if they do not move the transients on, that they will remain and the county finances will be wrecked to care for them. Therefore, there is a tendency to pass the burden on to the next county, and even that expense of only a few dollars for a family in a car, mounts up, because there are so many of them. There are an enormous number of automobiles in this country, and it does not take very long to go across the continent if one desires to do so.

Senator COPELAND. I suppose that Boulder Dam was beginning to attract people anyway, even before this mess came on. Undoubtedly a great number of them were going there then, and a great many more are going in view of this unemployment situation.

Senator HAYDEN. Well, there are three factors affecting my own State, one of which is this rumor of employment at Boulder Dam.

The fact that all of the transcontinental highways crossing the United States north of Arizona are closed by snow, or cold, and the people who want to get through have to go south, and the third factor is that where people are in ill health and imagine that they may be benefited by the climate, and they will take some member of the family and get into their car and drive out there, but the

terrific burden is one that the small communities and thinly settled sections of the United States simply can not bear.

Senator COPELAND. Colonel, has the degree of unemployment in any community increased to the extent of their inability to handle it locally?

Colonel WOODS. No such information has come to us at all, Senator. I am glad you asked that. I think that no such case has been brought to our attention. I feel sure that it would have been, if it had reached that situation.

Senator BRATTON. You said, Colonel, that the radio companies have placed their facilities at you command?

Colonel WOODS. Yes.

Senator BRATTON. Has that been without cost?

Colonel WOODS. Without cost, entirely, yes; and besides that, the radio companies have taken that up and have broadcast for us, and in addition to that, in addition to what the radio companies have done, and they have simply furnished us their own facilities at their own expense. At other times we have been given the facilities of some company which has taken an hour, for instance, for a certain purpose, and they have given us the time that we needed out of that hour. We have had it both ways.

Senator BRATTON. But, that has been without cost to you?

Colonel WOODS. Without cost to us, entirely.

Senator Copeland asked me a little while ago another question which he was good enough to waive, so that I could go ahead and finish on the other point. He asked me about what we could do here; what we could do here. There is one very important thing I should like to urge upon your attention, gentlemen, and that is with reference to some bills which are now pending, one I think, introduced by Senator Keyes, and two others introduced by Senator Smoot. We worked them out with Senator Smoot. We have found in trying to expedite the public-buildings work, because that is the thing we thought should be very definitely accelerated, so as to speed up the public works. We are going around pointing out what can be done in the localities, and to everyone else; to the individuals, what they could do; and to the various organizations what they could do; to the various cities what they could to do, in the way of expediting work in their own States and muncipalities, public works. We are pointing the same thing out to industry, we are pointing the same thing out to individual householders, we are pointing the same thing out to people everywhere, just what they could do to relieve the situation, and the Federal Government must, of course, show the way.

Now, we found that there was a lot of work authorized, money all appropriated, which had not yet gotten to the pick-and-shovel stage. We have investigated and analyzed that situation, and that is what has interested us, because we want it to reach that stage this winter. We are trying to see how much public Federal work can be advanced so that it will get to that stage this winter.

We found that there were several things, several obstacles in the road, in the way of progress. We have had a very careful examination made, and we have found that everyone has gone to the extreme degree. We have found that the Attorney General's office, the Treasury, the Assistant Secretary in charge of buildings, the head architect, the Supervising Architect's office, everyone concerned, is working out their plans toward this end at the same time.

We found for instance a situation like this, that if a piece of property is proposed for a public building, it has to be viewed by a site-viewing committee—I think it may be called that—and that there is one such committee in the whole United States. That is a specification of the law, that there shall be that committee.

Well, you can see the progress that is made in speeding that up, when every site all over the country has to be viewed by one committee.

So that there is a provision in the bill now before the Congress to increase that one committee to 12, as I remember it, so that the work may be expedited by having 12 committees situated in different parts of the country where they could go quickly, in place of one, or instead of having that work in the hands of one committee, so that we do not have to have the sites viewed by that one committee laboriously going around the country.

Senator COPELAND. How long ago was that bill prepared?

Colonel WOODS. A month ago.

Senator COPELAND. Is there a feeling that there has been delay on the part of the committee in acting upon it?

Colonel WOODS. Well, I do not know the way that the legislative wheels run.

Senator COPELAND. Oh, you should not be called on to answer that question.

Senator SMOOT. We could not get the committee together during the holidays, Senator. You know that. They were not here.

Senator COPELAND. They were having their meals, were they?

Senator SMOOT. Yes.

Senator COPELAND. While suffering was going on in the country.

Senator SMOOT. If you would get the people to do what could be done, there would not be any suffering in the United States.

Senator COPELAND. It would be hard to get the Senators to act on that suggestion. But, we need to at least pass the necessary legislation.

Senator SMOOT. I would suggest to the Senator that if we could get the American people to just set aside the cost of one meal a week—that is what it would cost them—and give to this relief committee, or whatever relief we may decide, there would be no necessity of a single soul in the United States going without food, and it would be a good thing for the men and women to go at least without one meal during the week, each week.

Senator COPELAND. Could you get the Senate, and Congress, to do anything to make that practicable?

Senator SMOOT. I think that you could organize it.

Senator COPELAND. Do you not think that it would be a good idea to have had some of the committee go without their meals during the holidays, and get this bill reported out?

Senator SMOOT. They are included. They are American citizens. I would appeal to all of the citizens of the United States.

Senator COPELAND. We ought to get that into legislation, as soon as possible.

Senator SMOOT. We will act upon the bill promptly.

The CHAIRMAN. Proceed, Colonel.

Colonel WOODS. Another point where we found difficulty was with reference to drawing up specifications. The office of the Supervising Architect has the right now to let out plans to architects to be drawn

up, by outside architects, but not to draw up the specifications, and everything may be all right, the site picked out, the architect's plans approved, the money appropriated, and everything ready, and it has to be held up until there is sufficient time for the Supervising Architect's office to draw up the specifications.

One of these bills provides that outside architects may be permitted to draw up specifications, that it may be done by outside people, as well as drawing up the plans.

Senator SMOOT. The Public Buildings Committee will meet just as soon as these hearings are concluded and consider those bills. As soon as these hearings are closed, we are going to have a meeting, and I have no doubt that we will report those bills out.

Colonel WOODS. I do not anticipate any objection.

Senator SMOOT. I do not think that there is any objection to them at all.

Senator COPELAND. We have heard several witnesses during the last two or three days tell of the red tape that exists and that bills have been prepared, but yet it is very strange to me that those bills have not been reported—put on the calendar.

This emergency is here and should be dealt with in every effective way, and things have been very clearly pointed out, not alone by the colonel this morning, but by the Supervising Architect yesterday, that there is that red tape that can be cut by legislation, and certainly the very least to be expected is that we should have that legislation.

Senator SMOOT. If we report the bill out from the committee, and I do not think that there will be any opposition to it at all in the committee, I am going to ask unanimous consent for immediate consideration when it is reported on the floor.

Senator COPELAND. I hope that the Senator will report it, and that the matter may be brought up at an early date.

Colonel WOODS. One more point, as to condemnation: According to the law as it now exists, outside of the District of Columbia, if a site is to be acquired by condemnation, all work has to wait until the condemnation proceeding is finished.

This legislation will provide that work may be begun with the institution of condemnation proceedings, so that everything will be under way at the same time and we can save all of that time.

Senator ODDIE. As an illustration, a Federal building has been approved for Reno, Nev. This very necessary piece of work has been held up for practically two years, because of delay in condemnation proceedings. I have no doubt that there are many cases of the kind from other States that could be cited.

Senator COPELAND. Is that because of departmental delays, because somebody has been loafing on the job?

Senator ODDIE. There are many reasons for it. I can not say that anybody has neglected his duty.

Senator COPELAND. The fact remains that the building has not been built.

Senator ODDIE. The building has not been built.

Colonel WOODS. We have felt, Senator Copeland, that there has been a great deal of delay and the cases that we have investigated that it is the main thing that is slowing up all of this proposed construction, and we find that there is approximately $300,000,000 worth of public construction which has been proposed and will be

speeded up very rapidly toward the actual pick and shovel stage, if this legislation is passed.

The CHAIRMAN. And you recommend legislation along those lines being passed as soon as possible?

Colonel WOODS. Very strongly.

Senator COPELAND. He said that a very strong recommendation had been made, and that that recommendation has been made over a month, was made a month ago, and no action has been taken. That, it seems to me, certainly shows that something is wrong with our committee activities.

The CHAIRMAN. You will find, however, that the departments——

Senator SMOOT. I want to say to the Senator that there has been action taken.

The CHAIRMAN. You will find, however, that the departments are not to blame for all of the delays in connection with this governmental work.

Senator COPELAND. Nevertheless, that recommendation has been made.

The CHAIRMAN. Some of the delay is the fault of Congress.

Senator COPELAND. Do you not think that something should be done, so that this work could be begun?

The CHAIRMAN. I agree with you.

Senator BRATTON. Colonel Woods, do you agree with this excerpt from a statement released to the press on the 5th of this month by some one hundred students of economics?

> These public works, projected on a scale to check the present business depression would, of course, require hundreds of millions of dollars, or possibly a billion, to be effective, but the cost can not be compared to the loss sustained by all classes of the Nation if such expenditures are not made. Taxation for such projects, equitably distributed, would not be seriously felt by any group.

Colonel WOODS. That is an impressive statement, Senator, signed by a very impressive list of people.

Senator BRATTON. Yes.

Colonel WOODS. Of course, it is a little bit out of my particular line, because I have been working on the emergency.

That leads to—I am not dodging your question—but that leads to the third point in this resolution, Senator, as to the extent to which public works must be extended if a substantial reduction in unemployment during the ensuing year is to be brought about.

This statement is signed by all of these economists and mentions these large figures, and if you ask me how much public work is needed, all I can say is that every dollar that we can get to the pick and shovel stage of the work now waiting, public work, is something that I would like to see put in operation immediately and without delay.

Senator COPELAND. In connection with that question, Colonel, is not the situation so desperate that we ought to do everything that we can to construct public works at this particular time?

Colonel WOODS. Yes. Of course, I should not give it quite the flavor or color that Senator Copeland gives it. I should say that we have a number of people unemployed, altogether too many, but we do not know just how many. Therefore, any public works that can be put in operation at this time, during this winter, to meet this emergency, should be done, and the first action that we took was to

look over our appropriations that have been made for our public works, and we want to do what we can in order to assure that they can be brought into operation during this winter.

Senator COPELAND. Is that not the same thing that I said, Colonel?

Colonel WOODS. Well——

Senator BRATTON. I agree with you. This statement is an impressive one, particularly coming from the source from which it comes. In view of that fact, coupled with your study of the problem, I would like to have your views as to whether it would require hundreds of millions, perhaps a billion dollars of public works to relieve this situation measurably and that increased taxation for that purpose is justified.

Colonel WOODS. I think that increased taxation—let me go at the thing from another way, and do not let me forget the main aspect of your question.

Senator BRATTON. The question is——

Colonel WOODS (interposing). There may be $700,000,000 worth of public works, as I have got my figures.

Senator BRATTON. Colonel, before you proceed to answer, let me call your attention to the fact that the single question has two aspects. The first is that it would require hundreds of millions, perhaps a billion, to meet the situation. The other is that taxation to that end is justifiable.

Colonel WOODS. I should say, Senator, answering that, that that billion is a little bit aside from the question which is before us now, because it would be more. There is a tremendous amount of public work already under way and that can be gotten under way quickly.

The CHAIRMAN. Of adopted projects?

Colonel WOODS. What?

The CHAIRMAN. Of adopted projects.

Colonel WOODS. Yes. For instance, we have a section in the committee which concerns itself with every projected public work or semipublic work anywhere in the country. We have a record made of every project and information on that, as to just the state or stage of that project, what it is, and just what is holding it up.

We are in touch with the individual projects of public works, amounting to about two and one-half billion dollars now—two and one-half billion dollars now. Those are of things that are in progress. They are definite proposals, definite projects. Some of them are very close to the point, almost completed work. Others are just in the planning. I mean that they are projected, and that they have not received the legislative approval which they need.

But there is 40 per cent of that two and one-half billion dollars, or almost half of the work, 40 per cent, now in the plans and construction stage, as we call it. They are waiting to have the plans perfected, or the plans approved, or to have contracts let.

Now, there is 40 per cent of two and one-half billion.

The CHAIRMAN. One billion dollars?

Colonel WOODS. Something over a billion dollars.

Senator COPELAND. A thousand million.

Colonel WOODS. Forty per cent of the two and one-half billion is now in a stage where it is very close to actual construction, and we feel that our best job is to see what we can do to remove every impediment in each one of these particular cases, so that they will get in operation.

You see, that in a way includes the contention made in that statement because it has been done.

Senator BRATTON. Yes.

Colonel WOODS. Work has been authorized and a large amount of that work is now under way and much of it very close to the stage where we can put it into operation immediately.

Senator COPELAND. Your committee called attention to the condition in regard to road building in 1921 and spoke of the various bills which were then before Congress, complaining about the fact that they had not been passed. Are we giving better service now than we were then?

Colonel WOODS. I think that we have plenty of bills with reference to road building. As the first step, taking it from the point of view of the emergency this winter, you see, there has been passed, I think, already been passed a provision for $80,000,000 for road building. That $80,000,000 goes to the States and the States use that as their money. They then advance that against a similar amount of State money, so that that $80,000,000 will make a total of $160,000,000.

Senator COPELAND. Then, we have aided you by that bill?

Colonel WOODS. That special bill.

Senator COPELAND. That was a special bill?

Colonel WOODS. That was a special bill, and then besides that there is some $70,000,000 of Federal money available to the States, as soon as that is matched. This other money is money which goes to them with which to match Federal money, but besides that there is some one hundred and seventy-odd million dollars of Federal money still available, so that there is projected for this winter immediately a matter of $300,000,000 that may be spent on the Federal public roads.

That does not take into account at all money that may be spent by the States, counties, and municipalities on their roads.

Senator COPELAND. Is there any delay in that expenditure of that money because of any failure of legislation?

Colonel WOODS. No. The only delay would be the failure of the State legislatures to act.

Senator Copeland. No special legislation is required?

Colonel WOODS. No.

Senator COPELAND. To make that money available?

Colonel WOODS. No.

Senator PHIPPS. I do not think that any State legislation is necessary.

Colonel WOODS. The only State legislation, Senator, that would be necessary would be as to that amount of Federal aid under the regular appropriations, regular sum of $125,000,000 appropriated each year. Now, that fund, added to the States, that is, the State in order to get its share of that money has to appropriate an equal amount. It is on a 50-50 basis. Some of the States have not yet had time, I believe, to take advantage of that.

Senator COPELAND. What are some of the principal provisions of that bill?

Colonel WOODS. I could tell you what I think it is, Senator. The special provision of that, with reference to the $80,000,000 emergency was that they did not have to wait to get State legislation.

Senator COPELAND. That has been advanced?

Colonel WOODS. That has been advanced.

Senator COPELAND. Where States have not done anything to advance that, what would be the attitude of your committee? In States where you find an unemployment situation, will it be the purpose of your committee to urge upon them the use of that money?

Colonel WOODS. Yes; Senator.

Senator COPELAND. That will be done by your committee?

Colonel WOODS. Yes.

Senator BRATTON. Colonel, my information is, that according to Mr. MacDonald's report released December 1 last, about $6,000,000 less was expended in 1930 than in 1929 for road construction. Is that your information?

Colonel WOODS. You mean the total of all of the money for road construction? We can get that and give you the information.

Mr. Lawrence, do you have that information? Mr. Lawrence is a member of our committee.

Mr. LAWRENCE. You will find a transcript of that statement in his report, showing the comparative expenditures. I do not believe I can give you that information now.

Senator BRATTON. I am talking about expenditures for road construction throughout the country; whether it was less in 1930 than it was in 1929?

Mr. LAWRENCE. That I would not be able to give you. I think that you could get that from Mr. MacDonald. He has it.

The CHAIRMAN. We will have Mr. MacDonald here this afternoon.

Senator SMOOT. We could not ascertain from that, on account of the State expenditures.

Mr. LAWRENCE. That would be increased 50 per cent more by the States. There is an increase here of $85,000,000 to the State commissions, State highway commissions. The figure which you mention has never been before us. But, I think that it is clear from an inspection that there has been a falling off in certain county road projects. It would be much better for Mr. MacDonald to supply that figure, because he could give it to you accurately and give you the three classifications, the Federal-aid roads, State roads, and county roads. He has that figure, and he has his figures accurately compiled. I think that you will find that there is no falling off of expenditures on the part of the Government, the State governments or the Federal Government. I think there has been a very greatly increased expenditure on the part of the State governments.

Senator BRATTON. Of course, I understand that there is no falling off in Federal appropriations.

Mr. LAWRENCE. And I understand, from the State highway commissions, that there has been a very, very great increase in that fund.

Senator COPELAND. Where else have we fallen down, has Congress fallen down, and is not holding up the hands of the committee?

Colonel WOODS. You do not want me to make a speech?

Senator COPELAND. Yes; you can make a great speech on that subject, and it would have the right flavor.

Colonel WOODS. No, Senator Copeland. We have received the most hearty cooperation on the part of Congress in every way in our dealings with it, as we have with everybody else.

Senator COPELAND. But I think that we have been dilatory about taking action on these bills that cut out the red tape.

Colonel WOODS. Well, I do not know what specific action can be taken. I assume that the best of good will exists, and that we are getting the quickest, speediest action that we can get.

The CHAIRMAN. Are there any further questions of the Colonel?

Senator BRATTON. Mr. Chairman, I desire to put in the record the statement that I referred to a few minutes ago.

(The statement above referred to is as follows:)

Decrying the "timidity of business men and legislators" in the present business crisis, 90 of the country's leading economists have indorsed the program of the Emergency Committee for Federal Public Works calling for a billion dollar prosperity loan to finance the construction of needed public improvements to speed the Nation's economic recovery, it was announced yesterday by Harold S. Buttenheim, chairman.

Included in the group are such leaders of economic thought as Profs. Edwin R. A. Seligman, James T. Shotwell, James C. Bonbright, Samuel McCune Lindsay, Franklin H. Giddings, and Joseph P. Chamberlain, of Columbia; Prof. T. S. Adams, of Yale; Profs. E. W. Kemmerer and Vernon A. Mund, of Princeton; Prof. T. N. Carver, of Harvard; Prof. Paul H. Douglas, of the University of Chicago; Prof. John R. Commons, of the University of Wisconsin; Prof. Willford I. King, of New York University; and Prof. N. H. Comish, of Oregon State College.

In indorsing the appeal of the Emergency Committee for Federal Public Works, the economists declared they were simply approving again a principle accepted by leading economists and socially minded business men for a generation. After referring to the efforts made by the Federal Government to encourage large expenditures by industry and local governments, the statement of the economists declared that Washington should now do its part to hasten the return of prosperity by a large-scale expansion of the public-works program in road building, reforestation, and kindred undertakings.

"These public works, projected on a scale to check the present business depression would, of course, require hundreds of millions or possibly a billion to be effective!" the statement continued, "but the cost can not be compared to the loss sustained by all classes of the nation if such expenditures are not made. Taxation for such projects, equitably distributed, would not be seriously felt by any group. It is difficult to understand the timidity, in this crisis, of business men and legislators.

"The need of the hour is courage to act along lines of long established economic principles. The time has come to test them on some adequate scale."

The statement of the economists is an answer to those in financial, business, and political circles who have objected to the "prosperity loan" plan on the ground that the taxation involved would be burdensome and would hamper business, declared Mr. Buttenheim in announcing their action.

"In securing the signed statement of many of the leading economists of the country," said Mr. Buttenheim, "the Emergency Committee for Federal Public Works had in mind two objects: First, to answer the query of some business men as to whether the economists stand to-day where they have stood for the past 30 years or more, in advocating the extensive expansion of public works by the Federal Government as a means of relieving unemployment and of stabilizing business in times of depression; and, second, to meet the objection so often heard, in political and financial circles, that taxation to pay for bond issues for such public works would not be helpful but would simply add to the burden of taxpayers, cripple business initiative, and absorb the funds needed in business enterprises.

"The economists' statement definitely answers the above query and objection. The economists have not changed their attitude toward the use of public works as a relieving and stabilizing factor, nor do they believe that taxation for such purpose would be a great burden on any group, certainly not approaching the loss incurred by the failure to renew and sustain the purchasing power of the masses of the people.

"The Federal Government—Congress—is the only political unit in the Nation that is unrestricted in its financial power to act for the safety, health, and protection of the whole citizenship. That up to the present time action by the Federal Government has been inadequate is recognized, and the recent emergency appropriations of $116,000,000 for public works and $45,000,000 for drought relief have simply emphasized this fact.

"There are five principal fields of public improvements in which almost unlimited amounts of Federal funds could be wisely and economically spent. They

are: Building of highways; reforestation; irrigation, drainage and improved water transport; reclamation of waste lands and flood control; and elimination of grade crossings.

"Moreover, many of these projects could be undertaken at once with the simplest form of contract. All that is needed is the will to act."

Professor Seligman, in commenting on the economists' statement, said: "Business men, legislators, social workers, and economists have been talking, writing and reporting about this principle of the expansion of public works to relieve unemployment and to stabilize business for a generation past, but in no unemployment emergency and business depression—and there have been three major depressions in the last 15 years—have we had the courage to try it out on a scale commensurate with the conomic need, and to prove its effectiveness.

"It should be pointed out that the large outlays contemplated under the five heads of public works—better roads; reforestation; irrigation, drainage, and improved water transport; reclamation of waste lands and flood control; and elimination of grade crossings constitute productive expenditure of the greatest significance.

"While it is primarily the function of private individuals to increase production, industry, and wealth, it is the peculiar function of Government to produce productive forces, to use the phrase of the renowned economist, List. If it is permissible for Government to spend billions in war time in the organization of production, it is no less legitimate for Government in a great emergency of peace time to do what it is also impossible for private individuals to accomplish.

"It is hoped that Congress will now address itself to this problem and set up the machinery, and appropriate sufficient funds to cope with the present menacing situation in our country.

"I am glad to join in this statement of the economists, with only the reservation that the funds should be provided by Federal bond issues, over a period of years, and not taken by immediate taxation which might interfere with the normal production of industry and with the philanthropic and charitable gifts so necessary in the present emergency. As this is, I understand, the form of the proposed Federal legislation, the objection I have to the statement is covered."

The complete text of the economists' statement follows:

"In indorsing the appeal of the Emergency Committee for Federal Public Works on a scale commensurate with the present need, we are simply approving again a principle accepted by leading economists and socially minded business men for a generation past. Within the last year the principle has been almost universally accepted, as shown in the response of the business interests of the country to the President's appeal in November, 1929, when a capital construction program of $7,000,000,000 was adopted and, we are told, carried through. The principle was again indorsed by the large State bond issues authorized by the electorates of several States, notably a total of $225,000,000 in the three States of New York, New Jersey, and Louisiana. The cities have already made every effort and cut all possible red tape in order to largely increase public works expenditures. Yet all these concerted efforts of business men, States, and cities have not sufficed. They have only prevented a more serious situation had this action not been taken.

"It seems only logical that the Federal Government, which has been urging these expenditures by business men and local governments, should now do its part in restoring the purchasing power of the masses of the people by an extensive expansion of such public works as post roads, reforestation, elimination of grade crossings, reclamation and flood control projects, and other improvements that do not compete with private industry and can be undertaken promptly.

"These public works, projected on a scale to check the present business depression, would of course require hundreds of millions of dollars, or possibly a billion, to be effective; but the cost can not be compared to the loss sustained by all classes of the Nation if such expenditures are not made. Taxation for such projects, equally distributed, would not be seriously felt by any group. It is difficult to understand the timidity in this crisis of business men and legislators. The need of the hour is courage to act along lines of long-established economic principles. The time has come to test them on some adequate scale."

The economists who have signed the statement are:

T. S. Adams, Yale University.
John B. Andrews, Secretary American Association for Labor Legislation.
Isaac E. Ash, Ohio University.
O. C. Ault, George Peabody College.
J. C. Bartley, Villanova College.
Theodore N. Beckman, Ohio State University.

Edward Berman, University of Illinois.
Truman C. Bigham, University of Florida.
James C. Bonbright, Columbia University.
LeRoy E. Bowman, Columbia University.
John E. Brindley, Iowa State College.
Paul F. Brissenden, Columbia University.
S. J. Brandenburg, Clark University.
Frank T. Carlton, Case School of Applied Science.
Harry J. Carman, Columbia University.
Niles Carpenter, University of Buffalo.
T. N. Carver, Harvard University.
Warren B. Catlin, Bowdoin College.
Joseph P. Chamberlain, Columbia University.
J. M. Clark, Columbia University.
N. H. Comish, Oregon State College.
John R. Commons, University of Wisconsin.
Wilfrid H. Crook, Bowdoin College.
Ethel B. Dietrich, Mount Holyoke College.
Paul H. Douglas, University of Chicago.
A. P. R. Drucker, Colorado College.
Edwin A. Elliott, Texas Christian University.
Ralph H. Farmer, University of Idaho.
Clyde Olin Fisher, Wesleyan University.
W. E. Fisher, University of Pennsylvania.
J. Anderson Fitzgerald, University of Texas.
John H. Frederick, University of Pennsylvania.
E. S. Furniss, Yale University.
Henry F. Grady, University of California.
Franklin H. Giddings, Columbia University.
Everett W. Goodhue, Dartmouth College.
Norman M. Guy, Drew Theological Seminary.
Robert L. Hale, Columbia University.
Gordon B. Hancock, Virginia Union University.
Wright Hoffman, University of Pennsylvania.
A. N. Holcombe, Harvard University.
Calvin B. Hoover, Duke University.
Earl Dean Howard, Northwestern University.
Elizabeth E. Hoyt, Ohio State University.
S. S. Huebner, University of Pennsylvania.
C. C. Huntington, Ohio State University.
Emilie J. Hutchinson, Barnard College.
Nathan Isaacs, Harvard University.
John Ise, University of Kansas.
Harry Jerome, University of Wisconsin.
E. W. Kemmerer, Princeton University.
Willford I. King, New York University.
Susan M. Kingsbury, Bryn Mawr College.
Maynard C. Krueger, University of Pennsylvania.
Harry W. Laidler.
William M. Leiserson, Antioch College.
J. E. LeRossignal, University of Nebraska.
Samuel McCune Lindsay, Columbia University.
Lewis L. Lorwin, Institute of Economics.
Isador Lubin, Institute of Economics.
Thomas S. Luck, Indiana University.
Arthur W. MacMahon, Columbia University.
H. H. Maynard, Ohio State University.
H. H. McCarty, University of Iowa.
Roswell C. McCrea, Columbia University.
R. M. McIver, Columbia University.
Royal Meeker, former Commissioner, Bureau of Labor Statistics, Department of Labor.
H. A. Millis, University of Chicago.
Raymond Moley, Barnard College.
Josiah Morse, University of South Carolina.
Vernon A. Mund, Princeton University.
J. L. Palmer, University of Chicago.
Ernest Minor Patterson, University of Pennsylvania.

Jessica B. Peixotto, University of California.
Selig Perlman, University of Wisconsin.
Howard S. Piquet, Princeton University.
Ferdinand Schevill, University of Chicago.
Edwin R. A. Seligman, Columbia University.
James T. Shotwell, Columbia University.
I. J. Sollenberger, University of Oklahoma.
Leo Spurrier, Kansas State Agricultural College.
F. A. Staten, University of Wisconsin.
R. A. Stevenson, University of Minnesota.
John C. Swenson, Brigham Young University.
Willard L. Thorp, Amherst College.
R. G. Tugwell, Columbia University.
David D. Vaughan, Boston University.
N. J. Ware, Wesleyan University.
Walter F. Willcox, Cornell University.
Virgil Willit, Ohio State University.
Leo Wolman, Director of Research, Amalgamated Clothing Workers of America.
Arthur Evans Wood, University of Michigan.
James M. Yard, Northwestern University.

Colonel WOODS. I will furnish the material you have requested. (The documents referred to are as follows:)

THE PRESIDENT'S EMERGENCY COMMITTEE FOR EMPLOYMENT,

Washington, D. C., January 7, 1931.

KENNEDY F. REA, Esq.,
Clerk, Senate Appropriations Committee,
United States Senate, Washington, D. C.

DEAR MR. REA: Inclosed are the different pamphlets that I was asked to furnish the committee for the sake of putting them in the record. I think I have them complete, as follows:

I. Two pamphlets which have been made up as the result of interviews with 600 or more heads of industrial companies, and which are being sent now to practically all industrial companies in the United States through the medium principally of the national trade organizations.

1. A Survey of Unemployment Relief in Industry.

2. Outline of Industrial Policies and Practices in Time of Reduced Operation and Employment.

II. Circular outlining what the committee believes is the wisest policy to govern localities in dealing with transient unemployment.

III. A list of the 20 cities to be included in the January 15, 1931, census and their populations, as given in the press release issued by the President's Emergency Committee for Employment, January 4, 1931.

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V. Two circulars bearing on community plans and action.

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We have several other pamphlets containing a number of descriptions in detail of different city and State organizations which we could send if you would like to have them, although they were not asked for this morning.

With reference to the list of cooperating representative organizations, we are not able to get this together in this time without running the risk of leaving out a large number of organizations which have been very cordial in their assistance. Shall I send such a list along to you as soon as we can verify it?

Sincerely yours,

ARTHUR WOODS.

P. S.—I thought you might also like to have for the purposes of the record speeches made by leaders in industry over the radio on a nation-wide hook up, in which they tell what they are doing in their companies to meet this situation. You will remember that I mentioned this, this morning, and I am therefore inclos-

ing speeches or summaries of speeches made by Gerard Swope, president of the General Electric Co., Cyrus McCormick, jr., vice president of the International Harvester Co., Henry S. Dennison, president of the Dennison Manufacturing Co., Walter C. Teagle, president of the Standard Oil Co. of New Jersey, Morris E. Leeds, president of the Leeds & Northrup Co., and William G. Stuber, president of the Eastman Kodak Co.

A Survey of Unemployment Relief in Industry

Prepared for the President's Emergency Committee for Employment

PREFACE

The following survey was prepared at the request of the President's Emergency Committee for Employment by the executives of certain large industrial companies. The purpose of the survey was to summarize the methods now in practical operation in companies seeking to prevent or alleviate unemployment. The results are published by the committee in answer to the many inquiries received from employing companies for information on actual experience in meeting the present emergency. They are intended to be suggestive only, since it is fully realized that each individual management must determine the applicability of any policy or method to its own particular situation.

In order to afford some indication of the relative extent of use of certain methods, statistics have been included. Because of the rapid changes taking place in company policy and practice at this time, these statistics are tentative only.

The committee has also had prepared an outline of industrial policies and practices in time of reduced operation and employment which supplements descriptively the methods analyzed statistically in this survey.

December 15, 1930.

The purpose of this survey was to determine the extent to which individual industries are attempting to meet the emergency occasioned by unemployment and the methods they are using to this end.

Information was gathered from a well-diversified list of large and small corporations manufacturing in over 500 locations and employing in 1929 more than three-quarters of a million men.

The information herewith reported was obtained in confidential and cooperative discussion of employment conditions, and so seems to present a better basis for acceptance than information which might have been gathered by means of a printed questionnaire.

The response indicated sincere interest and a readiness on the part of those interviewed to disclose the results of their deliberations on this subject, as well as a strong desire to learn the experience and plans of others as a source of helpfulness to themselves.

It is obvious that industry is willing to talk freely on the subject of unemployment, but it is strongly inclined to avoid publicity, which through overstatement might create an expectation quite beyond the power of industry to accomplish. The conviction seems to be that general publicity has done and is going good work in creating a widespread realization of the need, but that publicity which exaggerates the degree of relief to be expected from specific measures definitely hinders their adoption by other companies.

Large corporations showed the most serious unemployment. Practically all of those employing 5,000 or more men faced a decline as is clearly indicated in the second line of Table 1. On the other hand, 25 per cent of the companies employing less than 1,000 men were operating normally and were without unemployment difficulties. Of the companies employing less than 500 (a classification not shown in the table), 39 per cent were operating at a normal or increased rate. It should be noted that these percentages refer only to those companies reporting a volume of business at least equal to 1929, and do not include the very considerable number that were able to maintain their employment unchanged in the face of decreased business by spreading work or other relief measures.

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Selig Perlman, University of Wisconsin.
Howard S. Piquet, Princeton University.
Ferdinand Schevill, University of Chicago.
Edwin R. A. Seligman, Columbia University.
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PREFACE

The following survey was prepared at the request of the President's Emergency Committee for Employment by the executives of certain large industrial companies. The purpose of the survey was to summarize the methods now in practical operation in companies seeking to prevent or alleviate unemployment. The results are published by the committee in answer to the many inquiries received from employing companies for information on actual experience in meeting the present emergency. They are intended to be suggestive only, since it is fully realized that each individual management must determine the applicability of any policy or method to its own particular situation.

In order to afford some indication of the relative extent of use of certain methods, statistics have been included. Because of the rapid changes taking place in company policy and practice at this time, these statistics are tentative only.

The committee has also had prepared an outline of industrial policies and practices in time of reduced operation and employment which supplements descriptively the methods analyzed statistically in this survey.

December 15, 1930.

The purpose of this survey was to determine the extent to which individual industries are attempting to meet the emergency occasioned by unemployment and the methods they are using to this end.

Information was gathered from a well-diversified list of large and small corporations manufacturing in over 500 locations and employing in 1929 more than three-quarters of a million men.

The information herewith reported was obtained in confidential and cooperative discussion of employment conditions, and so seems to present a better basis for acceptance than information which might have been gatnered by means of a printed questionnaire.

The response indicated sincere interest and a readiness on the part of those interviewed to disclose the results of their deliberations on this subject, as well as a strong desire to learn the experience and plans of others as a source of helpfulness to themselves.

It is obvious that industry is willing to talk freely on the subject of unemployment, but it is strongly inclined to avoid publicity, which through overstatement might create an expectation quite beyond the power of industry to accomplish. The conviction seems to be that general publicity has done and is going good work in creating a widespread realization of the need, but that publicity which exaggerates tne degree of relief to be expected from specific measures definitely hinders their adoption by other companies.

Large corporations showed the most serious unemployment. Practically all of those employing 5,000 or more men faced a decline as is clearly indicated in the second line of Table 1. On the other hand, 25 per cent of the companies employing less than 1,000 men were operating normally and were without unemployment difficulties. Of the companies employing less than 500 (a classification not shown in the table), 39 per cent were operating at a normal or increased rate. It should be noted that these percentages refer only to those companies reporting a volume of business at least equal to 1929, and do not include the very considerable number that were able to maintain their employment unchanged in the face of decreased business by spreading work or other relief measures.

TABLE 1.—*Use of relief plans by companies of varying size*

Item	Number employed at 1929 peak		
	Under 1,000	1,000 to 5,000	Over 5,000
	Per cent	*Per cent*	*Per cent*
Total companies in each group	100	100	100
Companies having an unemployment problem [1]	75	86	96
Companies spreading work	53	72	88
Companies creating new work by repair or construction programs	[2] 37	25	56
Companies giving direct relief	16	31	40

[1] Includes those maintaining forces intact only by the adoption of relief measures.
[2] Concentrated in companies employing less than 500. Small companies are able to keep working forces intact by this means.

The degree of unemployment shown by the survey indicated great variation among companies and extended from full normal operation to a decline of 50 per cent, with some few reporting a loss in employment as great as 75 per cent. The survey continued for a month, and contacts were established on more than one occasion with the same companies during this period. It was observed that interest and activity were increasing noticeably with a clearer realization of the growing need. Many companies reported that while no plan was yet in effect, one was being actively developed. In general there was indicated a deepening sense of responsibility with regard to the unemployment problem.

On the whole, efforts were increasing as a greater degree of unemployment was faced.

TABLE 2.—*Extent of relief in relation to degree of unemployment*

Item	Decline from 1929 peak			
	No change	0–10 per cent decline	10–30 per cent decline	Over 30 per cent decline
	Per cent	*Per cent*	*Per cent*	*Per cent*
Total companies in each group	100	100	100	100
Companies with formal relief plans	[1] 6	13	37	42
Companies spreading work	[1] 43	65	85	95
Companies creating work through repair and construction programs	[1] 43	26	47	57
Companies giving direct relief		30	47	47

[1] These percentages reflect the effort being made by means of relief measures to maintain employment unchanged in spite of decreased business.

Emergency activity increased rapidly with increasing unemployment. A large proportion of those who reported little or no change in the number at work were able to do so only through extensive application of emergency measures. Practically all of those reporting no relief activities also reported that their volume of business was equal to that of the previous year. As they had no problem, they naturally needed no remedy.

In several instances companies that felt the burden of assistance needed by their employees to be beyond their capacity had found on actual investigation that the relief required was not too great a burden and had in consequence proceeded to subdivide work or render other direct aid.

SPREADING THE AVAILABLE WORK

As the demand for its product declines, industry faces the partial unemployment of all of its resources, including its machines and the men who operate them. The desirability of maintaining intact the working forces that will be needed as business revives brings consideration of the means of distributing among the greatest number whatever work is available.

This distribution of work was recognized as the most practical step that can be taken. Eighty-two per cent of the companies reporting an unemployment problem were using it. The extent to which this method was applied can be seen from Table 2, which shows that of the companies interviewed having 30 per cent or more unemployment, 95 per cent were spreading work.

The commonest use of shortened time as a means of distributing work is to reduce the number of days of operation. An almost equally used method is to decrease the number of hours worked per day. A third system is a combination of these two, whereby one large industry has reduced the daily hours of labor from 8 to 6 and the plant operation to 4 days a week. One large corporation, facing the apparent need of releasing 1,500 office men, had kept its force intact by reducing the office work of all by one day per week. The object of this arrangement was well understood by those affected and approvingly accepted.

Rotation of employment is practiced by alternating crews and so giving employment to one group one week and another the next. Forty-three per cent of those with an unemployment problem were doing this to some degree.

Variations of these methods were applied according to the conditions met. It is obvious that no single outline of the means of distributing work can be stated that will fit all cases.

The reports made on the use of these methods indicated clearly that they had been adopted in the full realization that good management is required to prevent an undue increase in costs on the one hand or too great a reduction in the income of the employed on the other.

REPAIR AND MAINTENANCE PROGRAMS

A sound source of unemployment relief is to be found in activities associated with repairs, renewals, and maintenance. About one-third of the companies having an unemployment problem had proceeded with work of this nature which would otherwise have been postponed. In many cases the work consisted of painting and cleaning which was not essential to plant operation. The attitude of those reporting this activity indicates that justification was found for further extension of this eventually needed work, in that it was of beneficial economic service in preserving the property as well as the plant organization.

NEW CONSTRUCTION

Construction work that has already been projected or can be foreseen as necessary in the early future is economically available to the same end. Twelve per cent were active in this work and indications pointed to a probable increase of this percentage.

MANUFACTURE FOR STOCK

Manufacturing for stock was reported by one out of five of those firms facing an unemployment problem. The nature of the discussion on this expedient indicated recognition of its limitations. The dangers associated with excessive inventories seemed to be generally well recognized. A number of important corporations, however, declared that they would continue to manufacture standard items for stock until their warehouses were full.

DIRECT RELIEF

Thirty-seven per cent of the companies with unemployment problems had investigated the financial condition of their former employees and made estimates of their relief needs. It is interesting to note that exactly the same percentage had established plans for some degree of direct relief. It seemed generally recognized from the reports made that promiscuous giving and other attempts to relieve distress without careful investigation are undesirable.

Many companies have announced policies of "taking care of all of our former employees" or "seeing that none of our people are in want." Between one-third and one-half of the companies which the survey revealed as having an unemployment problem had adopted some provision for direct relief. When these plans are examined they are found to come either from businesses which have been only slightly affected by the depression, or from employers who have made a systematic and intelligent analysis of their employee's needs, their outside sources of income, the number of their dependents, and their property possessions, and have found the conditions to be within the company's economic capacity. Publicity given to announced policies of this character has in some cases been misleading through conveying the impression that such plans can be made effective by all corporations.

An examination of Table 3 will indicate the extent to which direct relief measures were being applied. It is to be noted that the percentages reported do not mean that complete relief is given in every case, but include all companies using such measures, even when applied to only a few of their ex-employees.

TABLE 3.—*Relative use of various unemployment plans* [1]

	Per cent
Total companies having an unemployment problem	100
Companies spreading work	82
By fewer days per week [2]	53
By shorter hours	43
By rotation of jobs	43
Companies creating new work	44
By repair and maintenance programs [2]	32
By new construction	12
By manufacture for stock	[3] 21
Companies with unemployment insurance	[4] 7
Companies giving direct relief	37
Donations—	
Cash [2]	20
Food	17
Clothing	16
Fuel	14
Medical aid	14
Rent	13
Loans	14

[1] The companies upon which statistics are based were not weighted according to number of employees.
[2] Note that subclassifications are not exclusive. Some companies use 2 or more.
[3] Probably in large part a normal seasonal procedure.
[4] Per cent of all companies interviewed.

Several adjustments in employment office policies are reported as helpful in reducing the number of men who would otherwise require direct relief. Over half of the companies studied were trying to place released men in other departments. Others made careful studies of financial resources and dependents before rather than after dismissal, and a number were making strong efforts to find their men temporary or odd jobs elsewhere.

A few companies reported that they were selling food, clothing, and fuel to their ex-employees at cost in order to postpone, at least, the time when direct relief must be given. When the need was established by investigation, credit was extended on such purchases.

LOANS AND THE EXTENSION OF CREDIT

Fourteen per cent of the companies having an unemployment problem were granting loans, some with and some without interest, to a selected group of former employees, the general expectation being that these loans would be repaid in small and unburdensome amounts after the employees had returned to work. Usually loans were not made except to experienced men of proved value whom the employer desired and reasonably expected to reemploy with the return of more normal times.

Practically all of the companies that had adopted relief plans on the basis of careful investigation were emphatic in this conclusion: That each corporation faces a situation that is in some way unique, and that each must study the available remedies in their application to its own circumstances, selecting only those measures that prove upon investigation to be justifiable and sound.

It is to be recognized that with industry adjusting itself to the difficult and constantly changing conditions incident to the present depression, any figures collected must become almost immediately obsolete. This report is not to be regarded as complete. It is submitted as an outline of the unemployment-relief measures that industry, as represented by the companies interviewed, has so far developed and found serviceable in use.

Outline of Industrial Policies and Practices in Times of Reduced Operation and Employment [1]

(Prepared for the President's Emergency Committee for Employment)

PREFACE

The following outline of industrial policies and procedures in time of reduced operation and employment is intended to be suggestive only. It is based upon the many reports coming to the President's Emergency Committee for Employment from progressive companies throughout the country. Space does not permit extensive discussion of details. The outline merely lists concisely the steps taken by various companies, so that information will be available to large and small companies alike in the immediate and difficult problem of determining the best policy for each company in the light of the particular circumstances faced at this time. A summary of more permanent policies now in use in offsetting fluctuations in operations and employment is given at the end of the outline.

As additional material becomes available, this committee will seek to amend and supplement the outline here given. Suggestions and material will be highly appreciated, and will be valued the more if sent to the committee immediately.

Certain basic policies which underlie the procedure now being followed by many progressive companies in meeting the present unemployment emergency may be summarized as follows:

1. The policy upon which a company is acting in regard to employment procedure should be clearly determined and definitely stated, either for management use or for general announcement, as seems best. Concentration of authority to see that the policy adopted is followed out is generally deemed essential.
2. Consultation with representatives of the workers affected, in the determination and application of procedure, is usually helpful in insuring that policies agreed upon may be fair as between individuals.
3. The maintenance of accurate and complete records of procedure and experience is helpful as a basis for future action.
4. Cooperative interchange of information on procedure and experience among companies in the same community, industry, region, or affiliated group, is proving to be most valuable.

January 2, 1931.

I. METHODS OF SPREADING EMPLOYMENT

In an attempt to spread employment and earnings as far as possible, most companies faced by a reduction in operations have shortened the working time of individual employees in the departments or plants affected. This is frankly an emergency procedure and has met with widespread acceptance by employees where they have been advised of the necessity of such a step. The advantage of providing many or all employees with some earnings rather than a smaller proportion of employees with full earnings needs no explanation. In most cases the hourly rates of the employees have been maintained and overtime work has been eliminated. The lower limit of work afforded each employee kept on the pay roll is usually half-time. Operating problems affect the particular combination of hourly and daily schedules used. To the extent necessary, some companies have suspended deductions from pay for savings, home purchase, stock, or similar plans to afford employees on part time the immediate use of all pay earned.

A. *Reduced weekly schedule.*—Use of a 5, 4, or 3 day week.

B. *Reduced daily schedule.*—Use of 8, 7, or 6 hour day.

C. *Shorter shifts in continuous operation.*—Use of four shifts, six hours each, or similar change.

D. *Alternating shifts, gangs, or individuals on same job ("staggering").*—Use of two or more groups or individuals at same job, alternating their employment; 3 days on, 3 days off; 1 week on, 1 week off.

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[1] The methods here briefly presented were revealed by correspondence to be in practical operation. They are presented for their suggestive value only. It is recognized that each individual management must judge the applicability of any suggestion to its particular situation. There has also been prepared for the President's committee a Survey of Unemployment Relief in Industry, which may be obtained by addressing the committee, Department of Commerce Building, Washington, D. C.

E. *Rotation of days off.*—Operations requiring group coordination have been continued in some companies, in the face of a necessity to reduce pay roll, by the rotation of days off by the employees in the group, thus giving some work to all those in the group. The advantage of days off over against reduced daily hours is that employees may be able to use free days to work at home or to do odd jobs to supplement earnings. Notice of days off is usually given as long in advance as possible to permit securing of such jobs.

II. METHODS OF INCREASING WORK AVAILABLE

While methods of increasing work are often technical and are to be tested by economic and financial determinations, there has been widespread use of such plans to broaden the employing power of the companies.

A. *More extensive maintenance and repair.*—Cleaning, repairing, testing, painting, etc., of machinery, structures, properties, etc.

B. *Accelerated replacement.*—Hastened replacement of worn, obsolete, or inadequate machinery, parts, or facilities; rearrangement of machinery; modernization of power, processing, or handling equipment. The economic test of proper productive capacity and the probable immediate effect on the operating personnel employed have been matters for serious consideration in developing such plans.

C. *Construction.*—Construction of new plant, buildings, industrial track and roadway, housing, power facilities, etc., is being carried on by many companies even though seasonal conditions may not be entirely advantageous. Increased employment and decreasing costs are considered important reasons for immediate action.

D. *Production for stock.*—With proper safeguards some companies find this feasible. Measures permitting increased operations are the obtaining of orders for future delivery, improvement of warehousing facilities, and forecasting future orders through more extensive field surveys. Where possible, some companies assure those supplying them with materials as to their future needs.

E. *Development of new products and new customers.*—Attempts are being made to reach new levels of consumption through new types and improved quality of products, decreased price, extensive advertising, and more scientific salesmanship. It is the belief of some that qualitative improvement in company products is an important means of creating new demand and thereby offsetting unemployment.

III. ANALYSIS OF PAY ROLL AND SURVEY OF PERSONNEL AS A BASIS FOR LAY-OFF PROCEDURE

As soon as lay offs are in prospect, companies have proceeded to analyze their pay rolls and to make personnel surveys. Hit-or-miss lay offs, poor policy in normal times, are entirely unwarranted in times of serious unemployment and impaired employee earnings. In many companies, intensive analysis of card records previously available, personal interviews at the employment department or by foremen or supervisors in the plant departments, or consultations with representatives of the workers affected have been made the basis for ensuing steps in reducing personnel. Where the proportion of the reduction necessary was not at first apparent, some companies have taken tentative action, later reconsidered in the light of pay-roll analysis and personnel surveys. The best procedure, it has been found, can only be established on the basis of definite, complete, and up-to-date knowledge of the economic status of the personnel concerned. The following purposes are served by such action:

A. *Disclosure of persons willing to go on furlough without pay.*—Older persons approaching retirement, married women with husbands working, employees wishing furloughs for vacation purposes may accept lay off voluntarily if certain privileges as to future employment, service record, or coverage under company plans are assured.

B. *Disclosure of duplication of wage earners in same family unit in the company's employ.*—While action thereon is complicated by many circumstances, the knowledge of the total income accruing to a family unit from company employment is of value in time of serious unemployment.

C. *Determination of need for earnings as indicated by number of dependents and home responsibilities.*—Information concerning married women with husbands employed over against single or widowed women with home dependents, family heads with aged or young persons dependent upon them, illness, or other emergencies, has been found useful.

D. *Determination of adequacy of part-time earnings.*—Part-time employment is found to affect the budgets of some employees far more seriously than those of

others. Financial advice, or reconsideration of employment schedule, may be necessary in certain cases.

E. *Determination of practicality of predating transfer to pension roll.*—Some older employees have savings accumulations which might permit them to accept reduced pensions immediately.

F. *Indication of persons to whom assurances can be safely given as to the security of their employment.*—The removal of anxiety where this is possible is found to release purchasing power, encourage charitable contributions by those employed, and stimulate community and plant morale.

G. *Maintenance of list for preferential employment.*—As an outcome of the analysis and surveys above, a priority list can be maintained similar to those used by draft boards in the World War. Seniority in service, skill, training, and experience are all factors to be considered.

IV. METHODS OF ASSISTANCE TO PERSONS LAID OFF

Few progressive companies have dropped all concern for former employees on termination of employment. The present emergency has greatly stimulated the application of methods of assisting laid-off employees.

A. *Placements in other jobs whether temporarily or permanently laid off.*—Employment department machinery, outside exchanges, outside visits by employment officers, interplant committees, community interchange arrangements, advertisements and circular letters, and other means have been used to secure employment for laid-off employees. Longer notice of lay off affords greater opportunity to locate a new job.

B. *Loans and credits.*—Cash loans, lump sum or periodic, are extended in certain companies, following friendly investigation of need. On reemployment, loans are to be repaid with or without interest by deductions from wages. Tactful and intelligent action assures protection against distress in those cases where pride and sensitiveness otherwise cover up need. Credits are given on rent, fuel, food, and clothing where company housing, services, or stores are available. Such loans or credits are usually extended to employees temporarily laid off where the persons assisted are both willing and able to assume financial obligation.

C. *Dismissal compensation in case of permanent lay off.*—There has been an increasing use of permanent lay-off compensation where technological change coupled with decreased employment have rendered necessary permanent separation of longer-service employees. In a time of depression such bonuses are found to be all the more essential to cushion the shock to the employee in the readjustment of standards and expectancies. Such compensation ranges between companies from two weeks' to one year's wages, usually varying according to the age and service of the employee.

D. *Follow-up surveys through personal visits, card records, and community interchange of information.*—Companies attempting to assume responsibility for laid-off employees, to the extent possible, to prevent their becoming dependent on community relief, have found personnel surveys by trained representatives and the preparation of continuing records valuable in preventing or alleviating distress. Cooperation with community relief agencies is often essential to prevent oversight or duplication of assistance.

E. *Cooperation with community relief agencies.*—To a marked extent company and company relief organizations, where such exist, are cooperating with established community relief agencies. Unless such cooperation is developed, serious oversight may develop on the one hand and duplication of efforts on the other. Where any form of charitable relief is planned, communication with established agencies has been found to be essential. Company gifts or employee contributions by pay-roll deductions are usually put to most effective use by experienced relief officers. Provision of free transportation, medical, fuel, housing, employment, and administrative services are among the steps taken by many companies.

V. PERMANENT POLICIES FOR STABILIZATION OF EARNINGS AND EMPLOYMENT

A. *Forecasting and planning.*—There are indications of greater use of outside statistical experts and services and the employment of staff statisticians in coordination with planning and production scheduling departments as a means of avoiding excessive operations and inventories at a time of imminent decline in business.

B. *Broader training of new employees, apprentices, and special groups within personnel.*—Broader training of personnel has been found to afford greater flexi-

bility in shifting employees between departments in time of changing demand or changing methods of production. Developments of more extensive and efficient training departments include the "preemployment school," apprenticeship courses, and "the flying squadron."

C. *Standardization of products.*—Greater accuracy and range of forecasting has been found to be possible where products are standardized. Price concessions are sometimes made to customers specifying standard products in orders filled from stock. Experience indicates that standardization of products reduces idle machinery and allows greater flexibility in the use of personnel.

D. *Guaranteed employment.*—Security of employment has been found to afford marked improvement in employee morale and efficiency if properly supplemented by wage, promotion, and other financial and nonfinancial incentives. Such guaranties are considered a desirable goal in industrial relations practice, more or less attainable according to the company's product or service and financial situation.

E. *The elastic workday or week.*—Some companies have been operating for a considerable period on the plan that daily or weekly hours, rather than the number of employees hired, should be adjusted to the amount of work available. Certain railroad companies have developed this paln in employment procedure in their maintenance departments. As a permanent plan, it causes some fluctuation in employee earnings but this is considered preferable by the group affected as against sharp variations from full earnings to no earnings in the case of those laid off.

F. *Unemployment insurance.*—As a final protection to the standard of living of the industrial employee, private unemployment insurance has received an impetus during the last year. Insurance plans with adequate funds previously accumulated are not numerous, but the accomplishments of the plans in operation at this time are encouraging emulation. Unemployment insurance or pension plans are usually voluntary and contributory although in one important scheme all employees may be assessed by pay-roll deduction in times of emergency. Loan plans for laid-off employees are in some cases associated with those for unemployment benefits, either through the use of the same accumulated fund or the possibility that loans now made will be later merged into a program for the assurance of some income to persons laid off in the future.

Proposed Statement on the Care of Transients to be Issued as a Number of the Bulletin

Provision for Transients Should Be a Local Responsibility

The problem of the nonresident unemployed is causing serious concern in all parts of the country. In this group the vagrant homeless man predominates in some cities, the normally migratory worker in others, the nomadic family in others, the health seeker in others, and in rural sections it is native sons and daughters returned from the cities where, until this winter, they have found steady employment. In the large cities and in many smaller places all or most of these types will be found.

They present a serious problem because as nonresidents they have no legal claim upon the communities where they congregate. They are, nevertheless, unemployed and destitute and are no less in need of food and shelter than unemployed residents.

Two alternatives are open to a community in which transients have congregated. They can be cared for where they are or they can be passed on from city to city. Passing on has nothing to commend it except a superficial economy. In the end it is probably as expensive as the policy of caring for the homeless where they are. When passing on is generally resorted to a community in the long run receives as many transients for at least temporary care as it gets rid of by passing on.

Cities are increasingly adopting the policy of caring for the homeless where they are. This policy represents something more than the lesser of two evils. If travel by transients is to be discouraged, the honest unemployed who are seeking work must be cared for until work is available. Unless such care is furnished throughout the period of unemployment in one place transient travel is inevitable.

The expenditure of relief funds for the care of nonresidents is to the local community the least welcome of all relief expenditures. Such expenditures, however, are recognized in many places as a necessary by-product of the effort

of a State or a city to attract business. Publicity which in normal times seeks to attract labor, tourists, or permanent residents, by reason of superior markets, industrial opportunities, or climate, will continue to draw newcomers in an unemployment emergency. In the long run the advantages and the disadvantages of the total influx of newcomers tend to balance.

From the experience of communities which have recognized that transients should be cared for in the communities where they are, the following principles have been drawn. They are recommended as the basis of intelligent handling of the problem in an unemployment emergency, with full recognition that facilities, methods, and the location of financial responsibility for the program will vary according to local community conditions, habits, and resources.

RECOMMENDATIONS FOR THE CARE OF TRANSIENTS DRAWN FROM THE EXPERIENCE OF CITIES

1. The care of transients is more logically a responsibility of the municipal government than of private relief agencies. Private relief funds are more easily raised for resident families than for transients. The administration of work with transients frequently involves lodging house, health department, hospitals, police powers, and institutions, all of which may be more readily correlated on the initiative of a muncipal official than on the initiative of a private agency. Even in communities which normally do not need extensive facilities for transients, an emergency need can frequently be more promptly and adequately met if the responsibility is assumed by the municipality.

2. A central registration bureau should be maintained at which all transients should be expected to register. Such a bureau should be equipped to interview all transients who apply for relief and to undertake as extensive inquiries about them as may be necessary to decide upon the appropriate service to be rendered them. This bureau should issue tickets entitling the holders to lodging and meals at any accredited lodging house in the city.

3. Provision should be made for decent housing and nourishing food, preferably at the same place, under competent administration. Existing lodging houses, which meet health and safety standards, should be used. If additional quarters are needed, they should be chosen with their adaptability to loading house purposes in mind. At least two nourishing meals a day should be provided each lodger.

4. The public authorities and the general committee on unemployment should discourage the giving of free meals and lodgings to any persons except those who present tickets issued by the central registration bureau. In order to prevent suffering through unnecessary delay, lodging houses and organizations providing mass feeding should be permitted to issue tickets good for 24 hours to persons who apply direct to them. Such tickets should be approved by the central registration bureau to make them valid after 24 hours. If the city's facilities are adequate and the registration bureau works promptly and efficiently, there should be no need of bread lines. The bread line may provide nourishing food to many in dire need of it, but as a method of relief it is usually both wasteful and inhumane.

5. Nonresidents whose residence elsewhere can be established should be returned to their own communities. The expense should be borne by the city where they apply for aid. This is usually the kindest treatment for the transient man or family and in the long run is cheaper than maintaining him at the expense of the city where application has been made for relief. In the city of Birmingham, Ala., during the year ending September 30, 1930, 305 transient families applied for assistance. Of these 108 were returned to their legal residences or to relatives who agreed to support them. Unless legal residence elsewhere can be established or assurances of support from kindred are secured, transients should not be sent out of town. (See transportation agreement, p. —.)

6. Some effort should be made to meet individual needs of transients. Whenever possible some work should be provided. This may consist of assigned duties in connection with the lodging house, work in a wood yard or in some municipal department, such as parks.

Medical treatment or hospital care may be necessary and should be provided whenever called for.

The vagrancy law can be invoked when necessary to deal with confirmed idlers. It should be used with the greatest caution in an unemployment emergency, however, or serious injustice will be done to men who are not vagrants in any sense of the word.

The almshouse or other institutions may be used for those who should be cared for permanently.

In addition to the use of these specific facilities there should be some provision for special consideration of the needs of individuals. Social treatment, efforts at rehabilitation, vocational readjustment and the building of morale should be as definite a part of a community's work with transients as with resident families, although the sheer pressure of numbers will in many places prevent such work on a large scale. The staff of the lodging house or of the central registration bureau should include social workers competent for such responsibility.

7. The program for dealing with transients should be given no more publicity than is necessary to insure effective the cooperation of the community's agencies which deal with transients and to insure also effective cooperation between communities. Widespread discussion of plans for relief, especially in the press, will lure transients to any city. Every possible effort to reduce travel by transients should be made. At this point it may be repeated that the greatest inducement to travel by transients is not the lure of publicity but the policy of trying to get rid of nonresidents.

HOW SOME CITIES ARE DEALING WITH TRANSIENTS

The best argument is furnished by tested experience. The foregoing principles have been derived from the experience of American communities during the present unemployment emergency.

Here are brief descriptions of the experiences of a few cities in dealing with the problem. These cities have been selected because they represent different parts of the country and diversified local conditions.

(Descriptions to be inserted of Birmingham, Ala., Chicago, Ill.; Detroit, Mich.; and Cincinnati, Ohio.)

WASHINGTON, D. C., January —.—Detailed plans for the special unemployment census to be taken in 20 selected cities during the last two weeks of January by the United States Bureau of the Census, were made public to-day by Col. Arthur Woods, chairman of the President's Emergency Committee for Employment.

The unemployment recount, to begin on January 15, will be under the direction of William M. Steuart, Director of the Census. A total of approximately 4,500 enumerators will be employed during the last half of January, and as their count proceeds, the figures of the unemployed will be immediately forwarded to the Bureau of the Census where the final tabulations will be made. By this plan unemployment figures will be available within a short time after the field work is completed.

"Census enumerators will begin the unemployment recount on January 15" says Doctor Steuart, "in 20 important cities with a total population of about 21,000,000. This survey, including as it does a check-up through nearly one-sixth of the entire population of the United States and extending into all of the major geographical divisions, not only will give an accurate picture of unemployment numbers in the 20 cities but will give a good idea of the national trend. It will further serve as an index of the relation between unemployment and certain key industries, although this is not true of every city covered. Detroit, for example, has an obvious connection with the automobile industry. Pittsburgh may be studied in terms of steel and similarly for some of the other cities.

"Here is a complete list of the municipalities in which the unemployment count is to be made: Boston, the Manhattan and Bronx Boroughs of New York, Brooklyn (as a separate unit), Buffalo, Philadelphia, Pittsburgh, Dayton, Cleveland, Chicago, Detroit, Duluth, Minneapolis, St. Louis, Birmingham, New Orleans, Houston, Denver, Seattle, Los Angeles, and San Francisco.

"The survey is scheduled for completion by the end of January. In order that the results may be published as soon as possible thereafter, schedules are to be sent in from the field immediately on completion and will be tabulated in Washington at once. By building up these partial returns as the count progresses, it is hoped that the findings can be reported within a short time after the field work is finished—say by the middle of February. Thus the statistics may be applied to conditions which still are current when the report is made.

"To make sure that the total population of the 20 cities will be included in the survey, inquiry will be made by personal visits to every family in the areas covered. The enumerators will ascertain the number of persons in each family and the number who usually work and are not working at the time of the visit.

Rooming houses, hotels, and residences of people not living in family groups likewise will be checked in order to be certain that the findings will cover every unemployed individual within the city limits.

"For each unemployed person, a special unemployment schedule will be made out, starting with the name, address, occupation, industry, and personal description as was done in the regular 10-year census last April. If the person has a job but is laid off, the enumerator asks how many weeks he has been idle, why he was not at work on the day before the visit, how many days he worked last week, and how many days a full-time week includes. If the person has no job of any kind, he is asked whether he is able to work and looking for a job, how many weeks he has been idle, and the reasons for being jobless or for losing his last job. Enumerators will seek to learn also whether the person has been in the city more than four months. This last question should tell something about the transient unemployed who winter in cities.

"By the questionnaire, it will be possible to divide the unemployed into seven classes as was done in the April count: (*a*) Persons out of a job, able to work, and looking for a job; (*b*) persons having jobs but on layoff without pay, excluding those sick or voluntarily idle; (*c*) persons out of a job and unable to work; (*d*) persons having jobs but idle because of sickness or disability; (*e*) persons out of a job and not looking for a job; (*f*) persons having jobs but voluntarily idle, without pay; (*g*) persons having jobs and drawing pay though not at work—on vacations, etc.

"The work will proceed rapidly because the enumerators, who are temporary employees taken on for the purposes of the count, have been trained by previous experience. In each city they will be selected from those who were employed on the population census last April. Since schedules are not to be made for the total population but only for the unemployed, the number of field men who will be about one-third that which was required for the complete tabulation in the same cities during the regular 1930 census. About 4,500 enumerators will be employed during the last half of January while the work is in progress."

Check List for Possible Repairs and Improvements in the House and Its Equipment

This check list has been prepared as a convenience to home owners in keeping their homes in good repair and in improving them. It is based on a book, now in press, entitled "Care and Repair of the House," prepared by the Department of Commerce in cooperation with Better Homes in America.

EXTERIOR

Foundation and side-walls.

1. Masonry walls with large cracks or broken portions requiring filling.
2. Mortar joints or minor cracks requiring pointing.
3. Porous or leaky walls requiring damp proofing.
4. Leakage around eaves or tops of walls requiring repairs or coping.
5. Efflorescence or scum on walls requiring acid cleaning or special treatment.
6. Cracks, discoloration, or fallen-out portions of stucco walls requiring pointing, cleaning, or restuccoing.
7. Loose or decayed boards or open joints in frame siding requiring repairs or replacement.
8. Blistering, cracking, or peeling of painted surfaces requiring repainting.
9. Replacing wall surfaces with newer or more attractive materials.
10. Grading around foundation.

Windows and door frames and sash.

1. Window caps requiring new flashing or repairing over existing joints.
2. Holes or cracks around window frames requiring caulking or repairing.
3. Broken glass panes requiring replacing.
4. Defects in putty around panes requring reputtying or patching.
5. Windows needing washing.
6. Overhauling screens in readiness for next spring.
7. Need for storm doors and windows or painting and repairing existing ones.
8. Repairs to blinds and shutters.
9. Need for awnings or repairs to existing ones.
10. Loose or shabby balconies and railings requiring repairs or painting.
11. Advisability of additional windows.

Roof, flashing, gutters, and downspouts.

1. Broken, loose, or missing shingles, slate, tile, or other material requiring replacement or repairs.
2. Metal or roll roofing with cracks, open joints, or worn-off coatings requiring application of waterproofing materials, painting, or replacing.
3. Rusted or defective flashing requiring painting, repairs or replacement.
4. Leaky gutters or conductor pipes requiring repainting or replacing.
5. Leakage around skylights requiring repainting of the frames, glazing, flashing, or repairing.
6. Leakage around scuttles, trapdoors, or other roof openings requiring flashing, painting, or repairs.
7. Defects in chimney requiring pointing or replacement of brick.
8. Need for chimney cap or chimney pots.
9. Ineffective draft may require lengthening the chimney or applying metal hoods.
10. Adjustments or repairs to radio antenna, lightning arrestors, or weather vane.
11. Providing splash blocks at outlet end of downspouts, or connecting downspouts to drainage system.

Porches and steps.

1. Decayed column bases requiring repairing or renewal.
2. Broken, loose, or missing ballusters requiring repairs or replacements.
3. Broken or loose railings needing repairs or strengthening.
4. Decayed, broken, or loose floor boards requiring repairs.
5. Decayed or inefficient floor supports needing replacement or strengthening.
6. Broken, loose, or worn steps requiring repairs.
7. Advisability of installing lattice work to hide open spaces under porch.
8. Advisability of inclosing porches with glass or screening.
9. Need for floor paint or general repainting.
10. Open joints or cracks in masonry requiring painting.
11. Broken or loose floor tile or other masonry material requiring repairs.

Garage.

1. Advisability of applying insulating material.
2. Repairs to roof, doors, and windows.
3. Advisability of laying concrete floors.
4. Advisability of installing pit for servicing of car.
5. Advisability of installing heating equipment.
6. Necessary painting.

Grounds.

1. Walks and driveways; new, additional, and repair.
2. Fences, trellises, and lattice work requiring repairing or painting.
3. Weeds, brush, and tree stumps requiring removal.
4. General cleaning up of premises
5. Advisability of additional landscaping.

INTERIOR

The basement.

1. Large cracks or broken places in foundation walls requiring filling.
2. Smaller cracks or mortar joints in walls requiring pointing.
3. Dark walls and ceiling needing white coatings to brighten the basement.
4. Leaks through the walls or floor requiring waterproofing applications or provisions for drainage.
5. Cracks between wood sills and walls requiring caulking.
6. Spaces between floor joists as the sills and holes around pipes requiring fire stopping.
7. Floor joists sagging or warped, requiring additional support or bridging.
8. Basement floor badly cracked or disintegrated, requiring repairing or new topping.
9. Need for partitions to provide special space.
10. Desirability of ceiling and wall coverings to obtain finished rooms.
11. Floor painting or treatment to improve appearance.
12. Shelves, closets, cupboards, bins, etc. for stoppage purposes.
13. Clean basement and put things in order.
14. Advisability of constructing basement garage.

Heating and ventilation.

1. Clogged smoke pipes or flues requiring cleaning.
2. Boiler coils or baffles requiring cleaning.
3. Grates warped and broken requiring replacement.
4. Cracked fire box requiring repairs.

5. Boilers with cracks or leakages requiring repairs or new parts.
6. Cracks in chimney masonry requiring pointing.
7. Woodwork adjoining pipes and heating system requiring fire protection.
8. Coating on boilers requiring patching or recovering.
9. Heating pipes requiring covering or repairs to existing covering.
10. Advisability of installing automatic stokers, ash conveyors or similar labor-saving devices.
11. Leaky radiator valves requiring repacking.
12. Installation of additional radiators if needed.
13. Proper painting of radiators to increase efficiency.
14. Need for radiator covers and radiator tops.
15. Installing thermostatic heat control system.
16. Providing humidifiers for air conditioning.
17. Advisability of building a fireplace.
18. Putting in ash dump for fireplace.
19. Installation of additional room heating device in existing fireplace.
20. Repairing or replacing of fireplace screens, andirons, and similar equipment.
21. Installation of gas or electric log or similar heating apparatus.
22. Repairs to hearth, fireback, dampers, etc., in fireplace.
23. Remodeling of mantle or fireplace front.
24. Installation of ventilating devices in kitchen.
25. Providing insulating material to walls or ceilings where possible.

Plumbing.

1. Clogged drains needing attention.
2. Leaky faucets requiring washers, tightening, or new parts.
3. Defective flush valves in water-closet requiring repairs or replacement.
4. Covering for water pipes or other precautions to prevent freezing.
5. Installing refrigerator drain pipe and trap to replace pan.
6. Installing additional shut-off cocks or valves.
7. Installing water heating equipment, water softeners, etc.
8. Replacing worn-out piping with more modern type.
9. Replacing old or worn-out fixtures with newer types.
10. Providing additional bathroom, or lavatory and toilet for convenience.
11. Providing toilet and shower in basement.

Lighting and power.

1. Rewiring with modern system to reduce fire hazard.
2. Exposed wires requiring insulating.
3. Renewal of appliance cords.
4. Installation of additional convenience outlets, such as floor and base plugs.
5. Additional fuse plugs for fuse box.
6. Repairs to door bells or buzzers.
7. Installing transformers for bells in place of batteries.
8. Additional bells for convenience.

Doors and windows.

1. Sticking doors or windows requiring refitting or repairs.
2. Doors out of plumb requiring refitting or new hardware.
3. Advisability of replacing wood panels with glass in doors.
4. Defective locks, chains, or bolts, requiring repair or replacement.
5. Purchasing extra keys for various locks.
6. Broken or defective window cords and pulleys needing replacement.
7. Replacing broken window latches or other window devices.
8. Cracks around window sash and doors requiring weatherstripping.

Walls and ceilings.

1. Cracks or holes in plaster requiring patching or replastering.
2. Installation of partitions, either temporary or permanent, to provide additional rooms or closets.
3. Removal of partitions to afford additional space.
4. Replacing narrow doorways with plastered arches or similar larger openings.
5. Refinishing or redecorating.

Floors.

1. Creaking floors requiring renailing, additional supports, or bridging to stiffen joists.
2. Cleaning and refinishing.
3. Applying new flooring over old.
4. Repairing or replacing floor coverings.
5. Adjusting or replacing baseboard and molding moved out of position by shrinking or settling.
6. Replacing or repairing broken tile.

Stairs and stairways.

1. Creaking stairs requiring attention.
2. Replacing worn-out treads on stairs.
3. Providing rubber or composition treads for slippery steps.
4. Rickety cellar stairs requiring additional supports or repairs.
5. Installing railing on cellar stairs to prevent accidents.
6. Transforming closed stairways into open stairways by removing one or more walls.
7. Replacing old posts and railings with modern types.
8. Installing disappearing stairs to attic.

The attic.

1. Need for insulation materials applied to walls, floor, or underside of roof.
2. Installation of louvres or additional windows to provide ventilation.
3. Mortar joints in chimney requiring pointing.
4. Cracks between chimney and side walls requiring filling or covering.
5. Firestopping between studs at floor line.
6. Application of wall and ceiling coverings to provide finished room.
7. Installation of partitions.
8. Applying flooring.
9. Clean attic and put things in order.

Miscellaneous.

1. Need for additional closets, and lining existing ones.
2. Need for shelves, bookcases, and cupboards.
3. Advisability of providing clothes chute, telephone cabinet, and other built-in conveniences.

LEADING FEATURES OF COMMUNITY ORGANIZATION BASED UPON THE EXPERIENCE OF OVER 300 CITIES

The President's Emergency Committee for Employment has information from more than 300 cities and from all of the 48 States on organization, plans, resources, and action for meeting the unemployment emergency.

From a study of this information it is clear that these communities have been guided by the following general considerations:

1. The effective use of community resources during the emergency requires some kind of central leadership. This is usually provided by a citizens' committee representative of the city government, industry, labor, and welfare agencies.

2. The emergency program of most cities is being carried out by regular agencies for employment and relief, whose efforts are coordinated for emergency service by the citizens committee.

3. Special efforts are needed to increase opportunities for employment and funds available for relief.

Some of the specific efforts which have been made by local committees to meet the emergency are as follows:

New work has been created by employers by undertaking repair and maintenance programs, by undertaking new construction, and by manufacturing for stock.

Available work has been spread to cover a larger number of employees by reducing the number of days per man per week, by reducing the number of hours per man per day, and by rotation of jobs.

Methods of assisting laid-off employees have been widely used by progressive companies in the present emergency. These include placement in other jobs, extension of loans and credit, dismissal compensation, and other unemployment benefits.

Preference to employees with dependents is frequently given when lay-offs are unavoidable.

Public works have been expedited to provide jobs not otherwise available. Municipal operations in this field include public buildings, streets and roads, school houses, bridges, water and sewer construction and park development.

Private construction has been expedited in almost every kind of construction to take advantage of current low building costs.

Campaigns for cleaning up the city, in some cities, have developed a considerable amount of work. These campaigns vary in scope from neighbor and block cleaning-up efforts to slum clearance on a large scale.

Relief funds when regular pay-roll work is not available in sufficient quantity, can be used to pay men for work which would not otherwise be undertaken.

This has been organized on a large scale in many cities. Such jobs include work in parks, street cleaning, building of recreation facilities, repairing, cleaning and manufacturing of clothing, and repair work by nonprofit making institutions. The wages paid for such work are usually at the market rate for unskilled labor.

Odd job campaigns have been widely adopted. The greatest sources of such jobs have been repairing and cleaning work arranged by households, institutions, business establishments, churches, clubs, etc. Such campaigns require careful planning to prevent confusion and to insure success in bringing job and worker together.

Free employment agencies of various types have been found desirable in a majority of communities. In those cities undertaking odd job campaigns, it is indispensible. It requires careful organization to be efficient. When necessary to set up new employment agencies, they should, if possible, be correlated in some way with well-established ones.

Transient and nonresident unemployed are a serious problem in most of the large cities. The most satisfactory community programs for transients which cities have worked out include: A registration bureau, lodging house for housing and feeding, an employment agency, some kind of work test and some facilities for reference to hospital, almshouse or workhouse, when after study of the individual, it is clear he could be better cared for in one of these institutions.

Relief to resident families containing an able-bodied wage earner for whom employment can not be found, is generally entrusted to regular agencies dealing with such families. Such agencies have the skill and experience required to administer relief wisely and considerately. The resources of such agencies need to be increased for the emergency.

Membership organizations, such as churches, fraternal societies, etc., can ease the pressure upon regular relief funds of the community when they can develop relief necessary for their own members. Such relief is frequently given within the organization when the organization is equipped to do so. It sometimes takes the form of money raised by the organization for relief which is turned over to the other community agencies to compensate for relief given to its members.

"White collar" class problems have received special consideration in many cities. The regular family welfare agencies, churches, and the Christian associations have all assumed responsibility for members of this group.

A clearing house of information of some kind is essential in order to avoid duplication of effort in relief. This is accomplished in most cities through the Social Service Exchange, which is a regular feature of good community work in the welfare field.

The normal welfare work of the community is likely to suffer unless special efforts are made to maintain it at a high level of efficiency. Health agencies, educational agencies, and the so-called character building agencies are being called upon to meet many of the by-products of unemployment in impaired health and lowered morals.

Additional funds necessary for providing employment or relief will be secured through the Community Chest where a chest exists. They ought in any case to be planned for by some committee which has the total program of the community for the emergency under its guidance. Various contributing devices have been used, such as one day's pay, a percentage of salary, a percentage of sales, etc. Benefits of various kinds are resorted to although benefits are not encouraged if they interfere with regular methods of collecting money or if they are likely through publicity to lead to exaggerated ideas of the resources available.

Actual supplies for relief, such as coal and groceries can be handled most easily by institutions and lodging houses which feed large numbers of the unemployed. They are difficult to distribute for agencies whose relief work is undertaken with families in their own homes.

Clothing collections are organized in most cities. Clothing can be used by almost any agency dealing with the unemployed. Before being turned over by the donor to the distributing organization, it should be put in as good condition as possible, unless the community has established work shops for this purpose to give employment to the unemployed.

Subcommittees of the central citizens committee can be made responsible for furthering each of the special efforts mentioned in the foregoing list.

Churches, fraternal orders, luncheon clubs, and other organizations commonly are actively interested in the emergency, expressing this interest in part through the appointment of special committees whose function it is to cooperate with the central citizens committee in any practicable way.

Long range aspects of unemployment in many communities are receiving attention of special committees appointed for the study, including the study of

permanent measures to estimate regularly the amount of unemployment, local efforts for stabilizing employment, the development of ways and means for devising a construction reserve, etc.

DETAILED DESCRIPTIONS OF COMMUNITY PLANS AND ACTION

The committee plans to have available for distribution in mimeographed form detailed descriptions of community plans in operation in several different cities. It now has this material available for the plans in operation in Pittsburgh, Pa., Rochester, N. Y., Cincinnati, Ohio, and Petersburg, Va. Some features of these four plans are mentioned briefly here.

OUTLINE OF A HOUSING REHABILITATION PROGRAM, PITTSBURGH, PA.

The Pittsburgh, Pa., Housing Association is promoting a thorough municipal housecleaning, including vigorous enforcement of building codes, with a view to remodeling dwellings and commercial buildings, where possible, and razing the rest.

John Ihlder, executive director of the association, said: "The Pittsburgh Housing Association believes that unsafe dwellings should be made safe or should be demolished, and that demolishing them will help to relieve unemployment."

Reliable observation indicates that jobs have been provided by remodeling obsolete and razing dilapidated structures. Some ancient eyesores have disappeared under pressure of the association's efforts to increase employment.

CIVIC COMMITTEE ON UNEMPLOYMENT, ROCHESTER, N. Y.

In Rochester, N. Y., population 325,019, the civic committee on unemployment functioning since March, 1930, among other features of a thorough plan, has emphasized stimulation of construction.

Members of the construction reserve subcommittee personally called on public officials and private individuals responsible for major building projects scheduled for 1930, urging haste in starting them. The committee devised means to eliminate various obstacles which had been holding up construction.

Immediate results appeared first in smaller construction and in street and sewer ordinances. Larger jobs followed. The board of education started school additions costing more than $1,000,000. Two large private projects totaling more than $2,500,000 scheduled for next spring, were released in the fall. The committee follows up possible construction month by month to speed additional projects.

CINCINNATI'S PLAN

The permanent committee for stabilizing employment in Hamilton County, Ohio, and Kenton and Campbell Counties, Ky., was established in January, 1929, following discussion of unemployment while Cincinnati and the vicinity were still enjoying relative prosperity. This enabled the committee to formulate plans in advance of needs, permitting an attack on unemployment more thorough than many started in other communities after the problem became acute.

The subcommittee on continuous employment urged spreading work over as many employees as possible by rotating or staggering working forces. More than 50 per cent of employers reduced the number of working hours rather than the number of employees, thereby maintaining or increasing working forces. By stimulating public improvements, Cincinnati and adjacent communities furnished more work in this way than ever before under similar conditions. Efforts to locate temporary jobs by securing pledges from householders to provide employment, as well as by expanding social service agency project, also brought results.

THE INDUSTRIAL ROLL OF HONOR, PETERSBURG, VA.

In Petersburg, Va., population 28,564, an industrial roll of honor has put many men and women back to work. On the basis of a registration of unemployed, a volunteer committee decided 50,000 additional work days were needed to maintain near-normal employment for five months.

The committee secured pledges from householders, business firms, and industrial plants to provide employment for a definite number of days between November and April, for one or more persons in addition to those employed at the time. A central staff brought workers and jobs together.

Cash contributed, in lieu of employment, furnished pay rolls for special jobs. Success was due largely to the local committee's earnestness and enthusiasm.

Mr. J. E. Raffaeli, executive secretary, said:

"We made Petersburg realize that at least part of the cause was to be found within our own ranks; that, in a measure, every citizen of our city could do something to remedy the situation. And an elementary truth was most surprisingly brought home to us, namely, that while there are unemployed, there are also nonemployers. This last statement was not merely put to the people as a bit of information but was thrust at them as a challenge; in a measure it was an accusation. * * *

"In the course of one week's operation, some 300 people were placed at work, averaging 3 to 4 days per week. About 7 per cent secured permanent employment."

REFERENCE MATERIAL AVAILABLE FOR DISTRIBUTION

The following publications containing information and suggestions of value to those responsible for local community work may be secured without charge, except where noted, from the Russell Sage Foundation, 130 East Twenty-second Street, New York City.

Klein—The Burden of Unemployment; $2.—A study of unemployment relief measures in 15 cities in 1921. This is the best single source of suggestions for organization and administrative methods in an unemployment emergency. This book is available in most libraries or can be purchased from the Russell Sage Foundation.

Richmond—Emergency Relief in Times of Unemployment.—A pamphlet prepared in 1921 covering practical suggestions for the administration of relief.

Colcord—Community Organization to Meet Unemployment.—A digest in pamphlet form of experience and suggestions for the effective organization of community resources in an unemployment emergency.

The following documents in mimeographed form, already referred to, may be secured by addressing room 804c, the President's Emergency Committee for Employment, Department of Commerce, Washington, D. C.:

Descriptions of Community Plans in Operation.—Rochester, N. Y. and Cincinnati, Ohio.

The Industrial Roll of Honor.—A project for stimulating local employment, Petersburg, Va.

PROVIDING EMPLOYMENT THROUGH PUBLIC AND PRIVATE COMMUNITY CONSTRUCTION

Reports to the President's Emergency Committee for Employment show that one of the main activities of municipal officials in responding to their local employment situation is pushing public works.

Mayors, city managers, and county engineers are taking short cuts to get work under way to provide employment. City treasuries are being searched for idle funds. Legislative bodies are acting more rapidly.

If existing staffs are inadequate, they are supplemented by contracting for designing and other engineering services. Old time traditions of stopping construction during winter months are being scrapped, and controversies over sites and specifications are being settled.

All this activity for increased employment means improvements and probably decreased expenditures for straight relief to unemployed. To the man with no other prospect than charity, it means self-respecting employment.

Many cities spread or stagger work so that more men may be employed. However, they are endeavoring to prevent an influx of migratory unemployed, who unwisely move to cities for jobs on public works. Invariably cities are recruiting their forces from their own residents, believing that their first responsibility.

This increased pace in public works is well within control. There may be isolated examples of unwise expenditures, but, generally, cities are accelerating construction with full knowledge of community needs and community finances. There is no illusion that cities can lift themselves by their boot straps, nor do they over estimate the effect of public works in solving the problem. It is just one substantial factor. As a rule cities whose finances permit are merely undertaking now those improvements which were planned for some time later.

A number of cities, in fact, arrived at the unemployment situation with improvements definitely planned for years ahead. In those cities speeding up has been an orderly process of advancing improvements with full knowledge of relative importance and financial effect.

Some communities have dramatized this effort to provide employment through public works and constructions with slogans to rebuild, rehabilitate, and to reconstruct. Here private construction joins forces with public works.

Some examples, which may provide suggestions, follow.

AN EXAMPLE OF SPECIAL FINANCING TO ADVANCE A PUBLIC CONSTRUCTION PROGRAM

Muskegon, Mich., has advanced its construction program, not only to give employment but to save on building costs. Self-explanatory excerpts from a report by Mr. J. C. Beukma, secretary-manager of the Greater Muskegon Chamber of Commerce, follow:

"*Schools.*—Several years ago the board of education, on request of the chamber of commerce, adopted a policy of building new schools only as bonds equivalent to the cost of the new school were retired. Under this plan a new school was being built every three years. A new building costing $400,000 was scheduled for construction in 1932.

"The committee, after careful investigation and conference with contractors and others, decided that a minimum of 10 per cent, or $40,000 in construction costs could be saved if the building were erected immediately. It was further ascertained that school bonds could be sold on a 4¼ per cent basis, making the annual interest cost $17,000. On this basis there would be an ultimate minimum saving to the taxpayers of $23,000.

"A conference was held with the board of education with the net result that purchase of a site has been authorized, plans are being prepared, and the building will be erected as soon as the necessary preliminaries can be disposed of. This will provide work for 100 men.

"*City work.*—At the last election Muskegon annexed a suburban district approximately two and a quarter square miles in area, with 6,000 people. The district has practically no improvements. Our committee met with the city commission and urged that work be done at once grubbing out streets, laying water mains, etc. At this writing a crew of 167 men is being employed.

"The city of Muskegon is constructing a sewage-disposal plant. The program is being financed out of current revenues over a period of seven or eight years. One of the items of the program is the construction of a large interceptor main along the lake front. A section of this main costing $120,000 is scheduled for construction next year. We have urged the city to begin immediate construction. * * *

"As in every city, we have a great many special assessment jobs under discussion. Under present conditions people are indisposed to have the work done for the reason that they can not meet the initial annual installment of 10 per cent of the cost of the job. We are urging that bonds be issued for a 12-year period instead of a 10-year period as heretofore and that payment of the first installment be deferred for two years. This will mean a small additional financing charge but will give us the immediate benefit of these improvements and will provide employment."

CONSTRUCTION TO STIMULATE EMPLOYMENT IN FORT WORTH, TEX.—A LETTER TO THE PRESIDENT

PRESIDENT HERBERT HOOVER,
Washington, D. C.

DEAR MR. PRESIDENT: Some time ago there was a call issued, directed to the mayors and the officials of the chamber of commerce of different cities throughout the United States, to do all possible in their power to aid the unemployment situation by beginning public work in their respective cities and counties.

I have been in close touch with Mayor William Bryce of our city on the unemployment situation here, and all along, I am happy to say, he has cooperated with the officials of and the employment committee of the Fort Worth Chamber of Commerce in handling this troublesome situation, and it is a pleasure to have the honor to report to you that Fort Worth and Tarrant County, Tex., immediately went to work with renewed vigor by reason of your suggestion, and I herewith hand you a summary of construction projects in Fort Worth and Tarrant County, all of which is self-explanatory and speaks for itself.

CONSTRUCTION PROJECTS AUTHORIZED PRIOR TO 1929 ON WHICH WORK HAS SINCE COMMENCED AND IS STILL IN PROGRESS

City of Fort Worth and Tarrant County

Texas & Pacific passenger station	$1, 342, 899
Texas & Pacific freight depot	1, 605, 529
Track relocation and other improvements incident thereto	2, 847, 360
City of Fort Worth, viaducts and underpasses incident to above program	1, 984, 600
Bridgeport and Eagle Mountain dams and spillways on Trinity River	3, 758, 216
Royal Street Bridge	250, 000
Katy underpass	150, 000
Henderson Street paving	90, 000
Belknap Street paving	95, 000
	12, 123, 604

CONSTRUCTION PROJECTS UNDER WAY PRIOR TO 1929 BUT UNCOMPLETED

City of Forth Worth and Tarrant County

Tarrant County cardinal highway program, embracing 11 cardinal highways from Fort Worth to county line in 11 directions, including State and Federal aid (Tarrant County bond issue was $4,920,000), $8,000,000.

CONSTRUCTION PROJECTS AUTHORIZED SINCE 1929 AND NOW UNDER WAY OR COMPLETED

City of Fort Worth and Tarrant County

First Methodist Church	$750, 000
Masonic Temple	625, 000
First Baptish Church	400, 000
Texas Ice & Refrigerating Co.—wholesale produce terminal	450, 000
Central fire station	112, 000
Western Union Building and equipment	233, 000
Texas Electric Service Co. extension	750, 000
Miscellaneous building construction	950, 000
Kimbell Milling Co	170, 000
Lake Worth Amusement Co	200, 000
Lone Star Elevator Co	100, 000
Gulf Refining Co	200, 000
Texas Christian University	315, 000
Leonard Bros	284, 580
State teachers association building	65, 000
Broadway Baptist Church	250, 000
Firestone tire and filling station	250, 000
Sinclair Building	1, 000, 000
Grain and Cotton Exchange Building	1, 648, 000
Aviation Building	750, 000
Fort Worth Public Market	250, 000
Hollywood Theater	500, 000
	10, 252, 000

CONSTRUCTION PROJECTS AUTHORIZED AND ON WHICH WORK WILL SHORTLY COMMENCE

City of Fort Worth and Tarrant County

United States post office	$1, 445, 000
Federal building	1, 215, 000
First Baptist Church Sunday school building	600, 000
First unit Rosedale Street widening	500, 000
Fort Worth municipal airport improvements	250, 000
McCrory Stores Corporation building	300, 000
Improvement and extension of levees	500, 000
Extensions and improvements by city water department	527, 000
Santa Fe Ry. Co.—Improvements to passenger station and freight terminal—no definite figures given out—estimated cost	1, 000, 000
	6, 537, 000

BETWEEN THE DATES OF NOVEMBER 1, 1929, AND NOVEMBER 27, 1930, THE FOLLOWING EXPENDITURES IN THE CITY OF FORT WORTH WERE MADE FOR STREET IMPROVEMENT AND MISCELLANEOUS CONTRACTS

Street improvements

Twenty-fifth Street from North Main Street to Roosevelt Street	$79,000
Azle Avenue from Twenty-fifth Street to Titus Street	106,000
Throckmorton Street from West Seventh Street to 200 south	3,000
Grapevine Road from Race Street to Beach Street	52,000
Shirley Avenue from Park Hill to North Eckerts subdivision	11,000
West Fourth Street from West Fifth Street to blocks 66–67, city addition	4,000
East Belknap Street from Trinity River to Race Street	43,000
Henderson Street from Pennsylvania Avenue to Henderson Street Bridge	61,000
Pennsylvania Avenue from Adams to Eighth Avenue	6,500

Miscellaneous contracts

Fourth Street underpass	237,000
Tennessee Avenue underpass	62,000
Ram at airport	3,600
Southwest side drain Bowie Street to Frisco Railroad (storm sewer)	16,600
Sidewalk on North Main Street at Coliseum	3,000
Royal Street storm sewer	8,000
West First Street sanitary sewer	3,500
Pumps for water department	8,600
Pumps for water department	52,300
Hanger airport	27,000
Fire signal equipment	71,200
University storm sewer	12,500
Lipscomb Street storm sewer	6,000
Chenault Street storm sewer	5,600
Forest Park Boulevard underpass	3,850
Sanitary sewer contract, changing course, enlarging filter plant	31,000
	913,250

IN THE COUNTY OF TARRANT, IN WHICH THE CITY OF FORT WORTH IS SITUATED, THE FOLLOWING CONTRACTS WERE LET BY THE COUNTY COMMISSIONERS COURT BETWEEN THE DATES OF DECEMBER, 1929, AND NOVEMBER 17, 1930

Date	Contractor	Amount
Dec. 2, 1929	Clardy Bros. two 60-foot steel span bridges over Little Fossil	$2,852.25
Mar. 27, 1930	Austin Bridge Co. temporary bridge on West Fork Trinity River	2,060.78
Apr. 3, 1930	North Texas Iron & Steel Co. bridge Souder-Hurst Road	1,055.00
May 8, 1930	H. K. McCollum Bridge Fossil Creek	3,766.13
Sept. 11, 1930	Ellsworth Long, Briar Branch Bridge	4,032.95
Oct. 2, 1930	Tarrant Construction Co. Cottonwood Bridge on Wautauga-Saginaw-Smithfield Road	2,995.19
Oct. 6, 1930	J. P. Foty Twelfth Street Bridge	52,610.98
Nov. 6, 1930	C. A. Richey Walnut Creek Bridge	12,500.73
Feb. 27, 1930	Ellsworth Long Thirty-third Street excavation	2,600.00
Nov. 12, 1930	Ernest Lloyd Co. Arlington-Grapevine Road graveling	13,802.00
Aug. 14, 1930	General Construction Co.—Akers Road grading	1,796.00
Sept. 22, 1930	West Texas Construction Co.—Akers Road surfacing	46,037.28
Oct. 30, 1930	Vilbig Bros., Grapevine Road grading and surfacing	6,721.39
(1)	Tom T. Thompson Road work	2,272.78
Dec. 5, 1929	Slaughter-Powers, Arlington-Mansfield Road work	3,037.20
		162,014.90

[1] July 9, 1930, to July 26, 1930.

Grand total, $37,987,868.90. (No residence construction included in above lists.)

The officials of the city of Fort Worth and of the county of Tarrant are doing everything in their power to increase the employment of labor, and of course in most instances preference to Fort Worth and Tarrant County labor is given in all public and private work, and the employment situation here is becoming better and better every day.

We are not seeking an influx of labor into Fort Worth at this time, but are doing everything possible to take care of our own citizens, in line with your policy, and we are succeeding in a manner that is gratifying. * * *

The policy of the expenditure of money on national, State, and city public work and improvement now is doing much to solve the problem of unemployment. * * *

Very sincerely yours,

WALTER B. SCOTT,
President Fort Worth Chamber of Commerce.

MUNICIPAL CONSTRUCTION IN NEWTON, MASS.

Some efforts of Newton, Mass., to stimulate employment are cited in a statement from Mr. Leon B. Rogers, chairman of the Newton mayor's relief committee, which follows:

I inquired from the mayor the building program and drainage program which he thought could be started immediately, or within the next five or six weeks. He informed me that money had been appropriated and work will be started on public buildings, amounting to approximately $310,000, this work to be started just as soon as it is possible to get the contracts placed.

The city hall memorial, which you speak of, he anticipates will be started in the spring. He informed me that they propose to spend immediately about $40,000 in the preparation of the site.

The water department is cleaning up the underbrush and trimming the trees on the water shed, employing about 40 men and it is their intention to keep these men busy all winter.

Besides the above, the sum of $175,000 has been appropriated to do certain drainage work and grading of athletic fields, most of which can be done during the winter months.

The mayor and the board of aldermen are alive to the condition existing in Newton and are doing everything possible to advance work, even though they realize that it will be at an increased cost to the city.

RESULTS OF HOME-MODERNIZING BUREAU IN SPRINGFIELD, OHIO

The Springfield, Ohio, home-modernizing bureau, in charge of a full-time man stimulated remodeling to the extent of a 48 per cent increase in alteration permits for October, 1930, over October, 1929.

A special feature contributing to its success was free architectural service consisting of practical pencil sketches to enable home owners to see how the alterations would look, and at the same time aid the contractor. The bureau also gave free financial advice.

REFERENCE MATERIAL AVAILABLE FOR DISTRIBUTION

The following publications containing information and suggestions of value to those responsible for local community work may be secured without charge, except where noted, from the Russell Sage Foundation, 130 East Twenty-second Street, New York City.

Klein—The burden of unemployment—$2.—A study of unemployment relief measures in 15 cities in 1921. This is the best single source of suggestions for organization and administrative methods in an unemployment emergency. This book is available in most libraries or can be purchased from the Russell Sage Foundation.

Richmond—Emergency relief in times of unemployment.—A pamphlet prepared in 1921 covering practical suggestions for the administration of relief.

Colcord—Community planning in unemployment emergencies.—A digest in pamphlet form of experience and suggestions for the effective organization of community resources in an unemployment emergency. This will be available after January 5, 1931.

The following documents in mimeographed form, already referred to, may be secured by addressing room 804–c, the President's Emergency Committee for Employment, Department of Commerce, Washington, D. C.

Descriptions of community plans in operation.—Harrisburg, Pa.; Rochester, N. Y.; Cincinnati, Ohio.

The industrial roll of honor.—A project for stimulating local employment, Petersburg, Va.

The Pittsburgh rehabilitation program.—A plan of the Pittsburgh housing association to remodel or demolish obsolete buildings.

A RADIO ADDRESS BY GERARD SWOPE, PRESIDENT OF THE GENERAL ELECTRIC CO.

(Delivered over the National Broadcasting Co. System, 8.15 to 8.30 p. m., eastern standard time, Tuesday, December 16, 1930, from Station WGY, Schenectady, N. Y., under the auspices of the President's Emergency Committee for Employment)

This is the first of a series of nation-wide presentations by industrial executives of methods used in their firms to stabilize employment.

I have been asked by Colonel Woods, chairman of the President's Emergency Committee for Employment, to say a few words of what the General Electric Co. is doing to provide peace of mind for the worker and especially in avoiding and ameliorating the conditions of unemployment now and in the future. I am glad to accede to this request and this is my apology for making my talk especially of what the General Electric Co. is doing. No doubt other companies are doing as well or more but since the policies of the General Electric Co. affect thousands of people, the reaction of its employees may be of interest to the radio listeners. The figures that will be presented are impressive but it must be remembered that they are the aggregate of many people working together.

For many years the General Electric Co. has been making constant endeavors, each one a step in a comprehensive program, for removing fear of the future from the mind of the worker in the shops, that is his constant fear of not being able to provide for and take care of his responsibilities, first to his parents or, if he has taken on further responsibilities, to his wife and children.

The first item to give peace and security of mind is provision for the uncertainty of life. In 1919 free group life insurance was offered by the company, to which later was added a participation by the employees, so that the life insurance of each employee has been increased. This has been very well received by all the employees, and all new employees coming into the organization, after five years of service, come under its provisions. The maximum life insurance offered free by the company is $1,500 and the additional insurance, paid for by the employee, varies depending upon his age, service, and salary, but usually is in the same amount or larger than the free insurance offered by the company. This has worked out quite satisfactorily and since the inauguration of the plan $6,500,000 has been paid to the families of deceased employees. The organization of the General Electric Co. is now so large that there are deaths in its "family" each day, and each month a roster of those departed is published, where it is seen that the reaper has taken young people as well as old. In the present year, the total life insurance that will have been paid to the families of deceased employees will amount to approximately $1,000,000, of which $400,000 will be through the free insurance offered by the company and $600,000 through the insurance paid for by the employees. Of course this latter amount would not have been received by the families if this additional insurance plan had not been adopted by the employees. Life insurance in this way does much to ameliorate the tragic circumstances of death and relieves somewhat the hardship of the departure of the family breadwinner, either in whole or in part.

The second matter of importance in assuring peace of mind, not only of the employee but even more frequently of the wife, is the ownership of the home. While the General Electric Co. has never been in the position of landlord, it does assist the employees in acquiring or building homes. In the last seven years 2,500 homes, worth $19,000,000, have been acquired or built by the employees, with a payment on their part of upwards of $6,000,000, the balance being held in the form of first and second mortgages by regular financial institutions, the company making provisions so the employees can borrow this money on a favorable basis. To date there has been no loss in connection with this work, either to the banks or the company.

The third is a plan to enable the worker to put something aside for the inevitable "rainy day." The General Electric Co., like many companies, started with the plan of having the employees subscribe to its common stock. But its common stock, of course, is subject to the fluctuations of all stocks and soon after the subscription was offered the market price went down. Many of the employees were frightened and canceled their subscriptions. Later on the price went up and many thousands of employees saw the opportunity to make a profit and sold their stock, so it was not effective in promoting saving by the employees or having the employees become financially interested in the company in which they were spending their lives. Therefore, a new company was organized, known as the General Electric Employees Securities Corporation, where the General Electric Co. takes the stock risk and the employees subscribe for its bonds. These

bonds are not subject to the fluctuations of the market but are redeemable at cost at any time the employee so desires. While these bonds are held by the employee, and he is in the active service of the company, he receives a return of 8 per cent. The employees elect directors who represent them on the board and are familiar with the transactions taking place, and each year a report of its operations is published. This General Electric Employees Securities Corporation is the largest single holder of General Electric common stock and its other funds are diversified in investments in public-utility companies throughout the United States. These companies at the same time are customers of the General Electric Co., so the employees are financially interested not only in the company for which they work but also its customers. These investments have been so diversified that the market value even to-day exceeds the cost, and the income return has always been ample to pay the return on the bonds and stock that have been issued. Upwards of 36,000 employees now hold bonds, with a total value of $41,000,000.

The fourth item to give security and peace of mind is provision for old age. Of course, if each employee made provision along the line of the above, for death, a home and savings, old-age provision, theoretically, might not be necessary, but experience has proven that it is. The General Electric Co. in 1912 adopted a pension plan which gave a pension to every employee and this has since been supplemented by what we call an additional pension plan, whereby the employee contributes 1½ per cent of his earnings. This will have the effect of increasing his pension on retirement by approximately 50 per cent, so that in some cases the employee may retire on a pension of three-quarters of the income he has received while in the active service of the company, one-third of this pension being provided by the additional pension which he has paid for and the balance by the pension provisions of the company. These pensions are paid from a trust fund now amounting to upwards of $12,000,000 which has been set aside quite separately and apart from the company's operations. In the two years since the establishment of the additional pension plan, the employees have set aside $2,500,000. The amount employee has put aside in the additional pension plan is always his; if he leaves the company he receives this money plus interest; if he dies, his beneficiary receives it and if he lives to an old age he enjoys it. Since the inauguration of the plan, the pensions paid to retiring employees have amounted to almost $4,000,000 and there are approximately 1,000 on the pension rolls of the company at the present time.

The fifth and probably the most important from the standpoint of the worker, is the recurrent dread and fear of unemployment. For years the General Electric Co. has been developing methods of stabilizing employment for its workers. This varies, of course, with the product. It is easiest in a standarized line, which does not become obsolescent and does not deteriorate. One such article is the incandescent lamp, where for many years we have been able to avoid unemployment because of seasonal fluctuations by making lamps in the summer time, when fewer lamps are used, storing them and distributing them to our customers in the fall and winter months when the days are shorter.

The other end of the line, and of course very much more difficult, is our engineering products, such as large turbines, where, due to the progress of the art or the demands of the customers, no two turbines ordered at different times of the larger sizes are alike, and very little can be done on these engineering products in the way of stabilization of employment. Notwithstanding, on the smaller engineering products in slack times we do make parts that are used generally and interchangeably and place them in stock. The plan has been worked out throughout the company to further as far as possible this policy of stabilization of employment. Every effort is being made to carry out this plan effectively. The plan lays down certain principles which the management of each works does its best to follow, first, when business is increasing and, secondly, when work begins to fall off.

But no one company is able to grapple effectively with this problem of cyclical variations in business, so the best that can be done is to have a plan which will ameliorate the hardships when they do arise. Five years ago a plan of unemployment pensions, loans, and relief was offered, but at that time the employees considered unemployment remote, and it was not accepted. This year it was again proposed and received immediate acceptance.

Fundamental in this new plan for relief are the following principles:

1. Joint and equal contributions by employees and the company.
2. Joint participation in the administration of the plan.
3. Aid through group action to those workers who are in need or require temporary loans, or who become unemployed, or for whom only part-time work is available.

4. In times of unemployment emergency, cooperation and assistance from those employees of the company not usually affected by unemployment, and assistance by the company in equal amount.

The plan has been adopted by each works as a unit, with a vote of the employees in some cases as high as 100 per cent and an average of all the works of 79 per cent. There are now 35,000 members of the plan and in the few months since its adoption $350,000 has been paid into this unemployment pension fund, one-half by the members and one-half by the company. During normal times the employee member pays 1 per cent of his earnings into the fund and the company contributes an equal amount. A committee of administrators is formed at each works, one-half elected by the members and one-half representing the management.

When a member is laid off because of lack of work, after two weeks, by application to the administrators, his case is considered and he is given work or an unemployment pension up to 50 per cent of his normal earnings, but not in excess of $20 per week and for a time not longer than 10 weeks in any 12-month period. When the outgo from the fund is approximately equal to the normal income, an unemployment emergency is declared. Normal contributions then cease and all employees of the company, whether members or not, in all departments including the commercial and administrative organizations, in remote places, contribute 1 per cent of their earnings, the company contributing an equal amount.

This plan is not final in form or in substance and may be modified by joint action of the employees and the company. It is an interesting experiment in which the company is glad to join its employees, first, in endeavoring to find a solution, and, second, in ameliorating the tragic effects of unemployment on particular employees, who are in no sense responsible for their unemployment.

Under the original provisions of this plan as announced last June, no employee was eligible for unemployment benefits under it unless he had made payments of 1 per cent of wages into the fund for a period of six months. This limitation would have delayed initial payments in the earliest instance until next February. In the light of the emergency now existing the payment of benefits and the extension of loans to unemployed workers were commenced December 1, and the company is sincerely gratified that it has found this step possible as a means of alleviating the condition of those for whom no work is available. Benefit payments now consist of 50 per cent of the wages of those entirely unemployed or a smaller amount sufficient to afford 50 per cent of normal wages to those on less than half-time employment. Loans are being made in those urgent cases where the administrators feel that the real distress otherwise arising must be obviated.

The comments in regard to this unemployment emergency plan from the organization have been very gratifying indeed, not only from the workmen in the shops, even including those who are not members of the plan, who are glad to help their brother employees who are not so fortunate as to have work, but also from people in the commercial offices, removed thousands of miles from the factories, the main comments we have had being "Why was the percentage made so low as 1 per cent" and "Why have we not begun this earlier?" These are evidences of how closely the organization is knit together, the plan, therefore, tending to improve the unity and spirit of the organization.

The company also announced last week a further plan for the year 1931 of guaranteeing 50 weeks' work of not less than one-third hours each week in the incandescent lamp department, which I referred to earlier in my talk, where we are dealing with a standardized product not subject to obsolescence and deterioration. This plan is entirely voluntary and will not be adopted unless 60 per cent or more of the employees in the works are interested and they agree to have a further "anchor to windward" setting aside 1 per cent of his earnings. The company guarantees 5 per cent interest and the money so saved always belongs to the employee. He takes it with him if he leaves. If he dies the accumulation is given to his beneficiary and if he remains with the company until he retires on pension, it is added to his retirement allowance. This plan goes into effect January 1, 1931, if the employees desire it. It will be interesting to see what reaction this receives.

These are definite, specific things that the company has done, first along the line of providing for greater peace and security of mind, second to stabilize employment, and third to ameliorate the tragic effects of unemployment.

We are now in a situation where things must be done on a broader scale than this. The efforts of a constructive character that are being made to relieve distress and to avoid and ameliorate these things in the future are having and should have very general support.

PURPOSE AND SPIRIT OF THE HARVESTER LOAN PLAN FOR UNEMPLOYMENT RELIEF

(Radio address by Cyrus McCormick, jr., vice president, International Harvester Co., over the Columbia Broadcasting System, December 20, 1930)

Unemployment is the worst of the evils that come from business depression. All over the world men are now out of work because, for one reason or another, business is flat on its back. Everyone is hurt—but most of all, I think, the working man who has lost his job.

Business men have been aware for many months that things were going badly in the economic world. Very soon they found that their customers were not buying. As business declined, factories of all kinds were compelled to slow down. Men began to lose their jobs. Every lay-off meant a further reduction of the general purchasing power, and tightened still more the vicious circle of depression. At the present time sales are curtailed, credits are poor, profits are reduced or eliminated, production has slowed up, men are out of work.

Each one of us is economically dependent upon the financial well-being of his neighbor. Trade is prosperous when people generally have money enough to buy the goods and services of other men. But when men earn nothing they can spend nothing. Depression and its sinister companion, unemployment, help no one They devitalize prosperity, they intensify want.

Well organized, stable companies, large or small, which are able to handle their own probems, are usually strong enough to stand the shocks and strains of our business cycles The average workman, however, is not in a position to provide reserves for a prolonged period of unemployment. It is to the eternal credit of America's workers that this winter, when so many millions of them can not find jobs, they are, for the most part, bravely carrying on.

At first, before the depression became so severe, the International Harvester Co. did what it could to curtail production with as little harm to the men as possible. We reduced forces by ceasing to hire new men, we let the unstable ones drift away, and we distributed the work among the men who could do it best and needed it most. Then we reduced the hours of the working week, for our men told us they would prefer less individual income if we could find ways to keep as many people as possible on the pay roll. Lately, however, we have struck what we believe is the bottom of the depression, with the result that our factories are now working on reduced time and with reduced forces.

What can be done to improve such a distressing situation? It could be cured immediately in all industries if some way could be found to equalize absolutely supply and demand. If available goods or services were always proportioned directly to the consumer's ability to buy, there would be no depression, no unemployment. That, however, is at present an unrealizable ideal. Business is unable at this time to find the cure for the malady, but it can at least try to reduce the hardship of being out of work.

When a man is looking for a job and can not find one, when he has consumed his resources and eaten up his savings, he would prefer to stand in a bread line to get a free meal rather than to starve. But to most Americans such a course is repugnant. Workmen are citizens who want to earn their way through life and, by their own efforts, win a higher place in the economic scale. I applaud the fine efforts of earnest men and women to collect millions of dollars for unemployment relief. Help—call it charity if you like—is absolutely necessary in this emergency, but I do say that what the American workman really wants is not charity but work, not a dole but wages.

In planning our own campaign to tide over the unemployment situation, the International Harvester Co. has recognized the necessity of finding a temporary substitute for work and wages. Thousands of our fine men have no jobs, no income. It is not their fault nor is it the company's fault. But International Harvester feels that it has a duty to help its own men to provide their own salvation.

Throughout Chicago and the other cities where we manufacture, we have sent representatives to call upon our men who have lost their jobs. The message these representatives bring is this: Whenever a regular Harvester man is in need of help because he is out of work or because his earnings have been severely reduced by part-time operation, we lend him the money to carry him through. The amount of the loan varies with the needs of the different individuals, but it is at least sufficient to provide the necessities of life, sufficient to relieve the hard-pressed organized charities of caring for him and his. It will be enough to keep regular Harvester men out of bread lines.

We believe that lending money to workmen is better than giving it. I have been told by many employee representatives in our works councils that our men are proud that we have not offered them charity. A loan is a business proposition. When it is accepted, the recipient expects to pay it back. He feels that he is still standing on his own feet. He understands that the loan is considered an advance against future wages. He maintains his self-respect.

Best of all, Harvester men feel that our plan is proof of our confidence in the future. They are out of work, possibly they are in want. Just then a foreman or a fellow worker comes to their homes to tell them that some day times will be better and that they will then have their jobs back. In the meantime they can rely on loans from us. We can safely make this promise because he has been with us long enough to become a real Harvester man. He knows that we want him to earn good wages; he appreciates the benefits to him of pensions, works councils, stock subscription and other progressive labor policies. He knows that all Harvester Co. executives have won their way up through the ranks and that he too will, if he merits it, have a chance to rise. He does not want charity from the company. He wants wages, even if they are paid in advance of the work he would like to be doing.

These loans are paid by weekly check, exactly like wages. They are without interest. We urge every borrower to find himself a job elsewhere if he can, so that he will have less money to repay when he comes back to work. When he does get his own job back with us, or finds employment in some other shop and is again earning reasonable wages, he repays the money. In the meantime he is able to provide food, and fuel, and shelter, for his family with money he can rightly call his own.

We are confident that our losses, through failure to repay these loans, will be small. We know our men. They regard the money they have borrowed from us as a debt of honor, and they will pay it back.

It must indeed be hard for self-respecting Americans who want to work to accept charity. It must be encouraging to a man who has lost his job through no fault of his own to learn that he has not been forgotten and that he can have his job back again as soon as business picks up. That is the message that the International Harvester Co. has sent to unemployed Harvester men. It wants them to go on holding their heads high, feeling that they have a place in the economic sun.

Within the past five weeks every regular Harvester man who is out of work has been visited. Many of them have savings or investments on which they can rely. In certain cases the available work has been rotated so that the effect of unemployment will bear less heavily on any individual. Furthermore, we have found that in many cases we have been able to give helpful advice on recasting the family budget so that the need for a loan is lessened or postponed. Employees in danger of losing the equity in their homes are given advice and assistance in securing extension of time on mortgage payments. Wherever there is emergency need of medical or surgical aid, it is supplied free of cost by our medical and nursing staff.

The Harvester loan plan is already proving its value as a means of relieving want and distress, but this is only a part of its value. The real worth of the plan is in its spirit and in the way it tends to restore the confidence of the worker. It encourages him and tells him of the company's interest in him and of its appreciation of him and his work. Thus it renews his faith in the future of his occupation and of his country. He realizes that his situation in life will ultimately be restored because his job will be waiting for him when business comes back, as it surely will. He knows that he is a self-respecting member of society.

In this emergency the need for help throughout our country is very great. Let all of us help, each in the best way he can. I am glad to tell you that the Harvester Co. has found a way to lend a Harvester man out of work a share of its confidence in the future, to help him face his problems not with despair in his heart but with new courage, new hope, new faith.

DETAILS OF HARVESTER LOAN PLAN

The Harvester loan plan was approved by the directors, October 30, 1930, and was immediately put into effect. Its purpose is to meet the unemployment situation among Harvester people by weekly loans without interest, sufficient to provide for current necessities. The amount of the loan depends upon the size of the family and other factors. Obviously the smaller the amount that can be made to suffice, the lighter will be the eventual burden on the borrower and on the company.

There are other definite benefits under the plan, such as free legal advice, emergency medical and surgical aid without cost, counsel and assistance in budgeting expenses, friendly contacts of foremen and other organization men with the man who is out of work. These are often as important as the loans. Most important of all is the fact that these loans are not in any sense charity, but are a business arrangement under which the company advances money to the employee against wages to be earned in the future. This gives encouragement and assurance that a job awaits him when business conditions improve.

Underlying all these provisions is the company's desire that this plan shall be interpreted and administered so as to preserve the spirit of independence and self-reliance in any employee who participates in it. The company has confidence in the future in spite of the present depression and wishes to do what it can to give immediate assistance to its men who are out of work.

Eligibility.—(*a*) Harvester men temporarily laid off, who have been in the service of the company for ------ and whom it is intended to rehire when business conditions permit.

(NOTE.—For information of other companies considering loan plans, it is suggested that the eligibility period is a different problem for each company, dependent upon the number of employees expected to be rehired within a reasonable time, and the extent to which the company feels able to extend its loan plan.)

(*b*) Those working part time, equivalent to less than 36 hours per week, may also receive supplementary assistance.

(*c*) Home conditions, current financial difficulties, the possibility of other family assistance, etc., must be taken into consideration in determining whether or not a loan is justified. Available cash savings must be used before a loan is made.

Purpose of loans.—Loans will be made only to defray expenses for such current necessities as food, rent, fuel, light, and gas, and not for payment of old debts nor installment payments on goods purchased.

Organization.—(*a*) There will be established at each plant a works loan committee consisting of the superintendent or vice chairman of the works council as chairman; the employment manager, or works council secretary, as secretary; the plant nurse, and two additional members appointed by the committee chairman from the elected representatives of the works council.

(*b*) The works loan committee will be charged with the responsibility of selecting, instructing, and supervising such visiting committees of two members each as may be necessary to visit those eligible for loans.

(*c*) Included in the membership of these visiting committees are the department foremen and works council members, who in the majority of cases visit those employees who are employed normally in their departments. It is vital that a high degree of judgment and tact be exercised by the visiting committees which investigate all cases.

Duties of visiting committees.—(*a*) As soon as possible the visiting committees will begin by calling on men who have the longest period of lay off or whose situation is known to be most serious.

The first visit will be confined to a friendly call, at which time the visitors will exercise their best judgment to determine whether or not the case comes within the intent of the plan and justifies further consideration.

The visiting committee should take the opportunity of stressing the fact that while at the present time there is a depression in business and much unemployment, the man's record with the company is satisfactory and he will be reemployed when business conditions permit. In this way the visiting committee will help implant confidence for the future in the minds of Harvester men.

(*b*) If the visiting committee's report of its first visit (Form No. 367) shows the family to be in need and eligible for loans, a second visit should promptly be made by the nurse or employment manager or other person designated by the works loan committee, in company with a member of the visiting committee which made the first visit. Upon the persons making this second visit rests the responsibility of submitting to the works loan committee a detailed report and specific recommendation on a form (Form No. 366) provided for that purpose. If the persons making the second visit recommend a loan and it is approved by the works loan committee and the superintendent, the recommendation must be sent in duplicate to the industrial relations department, Chicago, for final approval by that department as well as by the treasury department.

As a part of their investigation, the persons making the second visit should determine whether the individual is in danger of losing the equity in his home through inability to make payments due on contracts or mortgages. If so, the matter should be reported to the works loan committee who will do what they can toward obtaining an extension.

(*c*) If the weekly loans continue for a period of four weeks, the visiting committee will again visit his home and submit to the works loan committee their report and recommendation (Form No. 365) provided for that purpose. If the committee's recommendation is approved it must again be sent in duplicate to the Chicago office for final approval before further checks are issued. The same procedure must be strictly adhered to following any subsequent four weeks during which loans are made.

Number of weekly loans.—It is not intended that the weekly loans will be continued indefinitely. They may be stopped at any time in the discretion of the company. No assurance should be given that loans to any one person will be continued for longer than four weeks. If further assistance is needed after any 4-week period, the case must be reconsidered.

Amount of loan.—The amount of money to be loaned weekly will be based on a minimum subsistence budget. The industrial relations department will provide information to assist in determining the proper amount of the weekly loan.

Loaning procedure.—(*a*) At the time of receiving his first check, the employee will sign a statement (Form No. 368) agreeing to repay after re-employment the money borrowed from the company. A copy of this statement should be given to him.

(*b*) No interest will be charged on money loaned under this plan.

(*c*) If the borrower has Harvester stock or other securities, he must deposit a sufficient amount with the cashier to cover his loans.

(*d*) Loans will be made weekly. The checks to be used, the manner of writing them, and other details will be covered in a separate letter of instructions to the works auditor.

(*e*) Each man will be assigned a definite day of the week for calling for his check.

(*f*) Following final approval of the loan, he will be notified to call for the first check. Subsequently he must call each time at the office of the secretary of the works loan committee for identification, which will enable him to get checks from the cashier.

Repayment of loans.—When the man is reemployed on a basis of five days or more per week, deduction of not less than 5 per cent will be made from each pay check to apply on repayment of the loan. If other employment is obtained he must pay each week the equivalent of not less than 5 per cent of his wages to apply on repayment of the loan. If he can begin to repay before his employment is restored to five days a week, or if he can exceed the amount of 5 per cent of his wages, it will obviously be to his advantage and he should be urged to do so.

Accounting.—The works will forward to the industrial relations department a weekly statement in duplicate, giving a recapitulation of the number of cases and the amount of money loaned during the current week, as well as the accumulated figures.

Medical.—The visits may disclose that some member of the family needs medical assistance or advice. Such cases are to be reported to the plant physician or nurse, and arrangements will be made to extend emergency assistance through our medical department.

(Works form 367)

INTERNATIONAL HARVESTER CO.

HARVESTER LOAN PLAN—REPORT OF FIRST VISIT OF VISITING COMMITTEE

Works _____

Name of employee _____ Department _____ Check No. _____
Address _____ Foreman's name _____
Location of family in building: State floor occupied and whether front or rear.

Service record _____ Years _____ Months. Married ☐ Single ☐
Number in family _____ How many working _____
Recommendation:

(*a*) Indications are that this family needs assistance and investigation should be made at once.	☐	Place
(*b*) Indications are that assistance will not be needed.	☐	X
(*c*) Assistance may be needed later. Another visit should be made about _____ (date).	☐	in square

Date of visit _____ 193__ Signed _____
_____
Committee

(This form is to be filled out and filed with the secretary of the works loan committee.)

(Works form 366, front)

INTERNATIONAL HARVESTER CO.

HARVESTER LOAN PLAN—REPORT OF INVESTIGATION

---------- Works. Case No------
Name ---------- Address----------
Check No.---- Department -------- Length of service ---- Date laid off-----
Age --- Single --- Married --- Country of birth ------ Citizen—Yes ☐ No ☐
1st papers ---- 2d papers ---- Renting—Yes ☐ No ☐ Heated—Yes ☐ No ☐
Monthly rent $---- Is rent in arrears?—Yes ☐ No ☐ Amount $--------
Owns home—Yes ☐ No ☐ First mortgage $------ Second mortgage $------
Are interest or payments on principal in arrears?—Yes ☐ No ☐ Amount $---
Buying home on contract?—Yes ☐ No ☐ Amount of monthly payment $----
Are payments in arrears?—Yes ☐ No ☐ Amount $----------
If rent, interest, or payments on principal are in arrears, give name and address of landlord, owner, or agent:

E. B. A. Protected—Yes ☐ No ☐ Outside life insurance $-- Premium $-----
Insurance carried with fraternal orders: Kind ---- Amount $---- Dues $------
Other debts. Detail: ----------

Members of family

Name	Relationship	Age	Present occupation	Present earnings	Is medical aid needed?

Is the family receiving help from any charitable organization?—Yes ☐ No ☐
If so, name agencies and state help given ----------

(Works form 366, back)

I. H. C. stock held---------- Shares Common ---------- Shares Preferred
Other securities ----------

Money deposited in bank $---------- Money deposited elsewhere $----------
Weekly Income:

Rent	
Roomers or Boarders	
Earnings of Employee	
Earnings of members of family	
Other income	
Total weekly income	

General Remarks:

Do you recommend that a loan be made? Yes ☐ No ☐
Weekly amount $_____ Date of visit _____
Signed _____
_____
Committee

Approved for weekly amount of $_____ for not more than four weeks.

Secretary works loan committee	Works superintendent	Industrial relations department	Treasury department
_____	_____	_____	_____

When a recommendation is made that a loan be granted, this form is to be made out in duplicate and both copies sent to the industrial relations department, Chicago. One copy will be returned to the works.

(Works form 368)

_____City _____193__

I hereby acknowledge that the International Harvester Co. has loaned to me the sum of _____ dollars ($_____) without interest, under its "Harvester Loan Plan" which loan, together with any similar loans hereafter made to me, I agree to repay as follows:

Whenever I am again employed by said company on a basis of not less than five days a week, the company may deduct not less than five per cent (5%) of my weekly wages and continue such deductions until the total sum is repaid.

At any time I am regularly employed by any other employer, I agree to make regular payments on said loan of such amount as the International Harvester Co. may think reasonable under the circumstanees, and if I fail so to do, the International Harvester Co., at its option, may delcare the whole indebtedness due and payable.

The canceled checks for loans shall be evidence of my total indebtedness.

_____
Signature

_____
Witness

This document is to be made out in duplicate—original copy to be retained at works—duplicate to be given to the employee.

(Works Form 365)

INTERNATIONAL HARVESTER CO.

HARVESTER LOAN PLAN—REPORT OF SUBSEQUENT INVESTIGATION

Works _____ Case No. _____
Name _____ Address _____
Check No. _____ Department _____
Has there been any change in the situation of this family since the last investigation? Yes __ No __
Recommendation: Continue __ Discontinue __ Increase to $____ per week.
Decrease to $____ per week.
Explain fully:

_____
_____
_____
_____
_____

Date of visit _____, 193__ Signed _____
_____
Committee.

Approved for weekly amount of $____ for not more than four more weeks.

Secretary works loan committee	Works superintendent	Industrial relations department	Treasury department
_____	_____	_____	_____

This form to be made out in duplicate and both copies sent to the industrial relations department, Chicago. One copy will be returned to the works.

SUMMARY OF THE UNEMPLOYMENT-FUND PLAN OF THE DENNISON MANUFACTURING CO.

(As explained by Henry S. Dennison, president of the company, over a coast-to-coast hook-up of the Columbia Broadcasting System from Station WNAC, Boston, 6 to 6.15 p. m., eastern standard time, Friday, December 26, 1930, under the auspices of the President's Emergency Committee for Employment)

This is a third of a series of nation-wide radio presentations by industrial executives of methods used in their firms to stabilize employment.

Since its beginning in 1844 our company has passed through and survived many depressions, mild and severe, but until the depression of 1908 we had thought of them much as epidemics had been thought of before the birth of modern medicine—as unfortunate visitations which we could not account for and devoutly hoped would never happen again. Then we began to realize that in this passive attitude we were really inexcusable, if it should turn out that such periods are recurring diseases of the business system for which we might undertake some measures of preparedness even if we could not accurately foresee just when we were going to catch them. The burdens of unemployment had borne too heavily upon both the company and its employees to be put up with complacently, and anything, however little, which might be done was better than doing nothing.

Progress was slow, but in the first years something was accomplished toward smoothing out the worst of the extremes of overtime and part time which came each year at different seasons. But in 1915, after the severe unemployment of 1914, we took a step which has ever since given us a permanent and pointed interest in the problem. We figured that if it was good business sense to make some reservations out of profits in good years so that dividends might not fall so severely in bad ones, then it was equally good sense to set up similar reserves from which some part of the losses to wage earners could be lessened during times of unemployment or partial employment. So we made a reserve out of the profits of 1915 which was added to in the succeeding years, and placed it in the control of trustees for such use. The exact rules for its distribution were to be drawn up and amended from time to time, as experience should dictate, by a joint committee of two from the management and two representatives of the employees.

Since 1921 the fund has been drawn upon to make up the pay of our permanent force of wage earners whenever they had to be laid off for lack of work, those with dependents getting up to approximately 80 per cent of normal rates, and those without dependents up to approximately 60 per cent of normal. We could not guarantee such payments for all time because we had no sufficient records of experience to tell us what such a guarantee would involve, but the payments were to continue as long as the fund lasted, and have continued, as a matter of fact, without any interruption to date.

The effects of this scheme have been very striking. Undoubtedly it has afforded welcome relief to individuals and probably has held the purchasing power in our community up somewhat higher than it would otherwise have been; and we are assured that it has added a good deal to that feeling of security and confidence without which employees suffer in spirit and in their working abilities as well. But even more valuable has been its effects in stiffening and refreshing the determination of everyone who is connected with the management, from salesmen and department heads to general manager, by careful planning and all possible foresight to make payments from the fund as little necessary as they can.

These effects are somewhat amusing since no one in the management can gain anything directly in a financial way because the fund is quite out of our control. Yet they are highly significant and closely parallel to the effects of the fire-insurance premiums of more recent years in waking us up to the desirability of fire prevention, and of accident-compensation premiums in making us active in preventing accidents. In all these three cases alike we should really have enough to gain by preventive measures to warrant strenuous thinking even if there were no penalties in hard cash. But, unquestionally, in each of these, efforts at prevention are given energy and focus by the impressive reality of such penalties. This is what makes us so strong in the belief that an unemployment fund, however much it may help the wage earners, is more than likely to be of even greater value to the company itself. For in every slack period, whether it is an off season or an off year, the losses to the company in fixed overhead costs are often as great, and in heavy industries are greater, than the losses to employees on pay rolls.

Our unemployment fund did not originally plan to cover any payments to those who might be laid off permanently because for one reason or another no permanent place could be found for them in our organization. It applied primarily to the fully qualified permanent staff. But gradually, as it was being used, logic forced consideration of some cushioning payment to those whom we had to lay off for keeps—a separation allowance, as it is now coming to be called. Our experience with this form of relief, is, therefore, short, but over the last 12 months we have been feeling our way and have paid considerable amounts for this purpose. Its influence will undoubtedly add to the good influences of the older scheme, and will especially tend to make us even more careful when planning expansions, temporary or permanent, that we do not fall into the error of unwise over-expansion which is surely one strongly contributory cause of the alternating periods of prosperity and depression.

SUMMARY OF METHODS USED BY THE STANDARD OIL COMPANY OF NEW JERSEY TO STABILIZE EMPLOYMENT

(As explained by Walter C. Teagle, president of the company, over Station WEAF, New York City, and other stations of the National Broadcasting Co. System, 7 to 7.15 p. m., eastern standard time, Friday, December 26, 1930, under the auspices of the President's Emergency Committee for Employment)

This is the fourth of a series of nation-wide radio presentations by industrial executives of methods used in their firms to stabilize employment.

The Standard Oil Co. (New Jersey), which I am asked particularly to discuss, has had for years a definite policy in respect to labor. We have long felt that from both an industrial and humanitarian standpoint we should make every effort to avoid lay offs of any of our people.

As the first step in this crisis, we stipulated that managers should hire no new employees, for we thought that by adjustments and transfers we might better provide work for those already in our service than to discharge in one quarter and hire in another. We ordered elimination of overtime so as to spread the available work over the largest part of the personnel. Employees have been transferred from slack to busy departments and from one plant to another. To increase the amount of employment, it was suggested that managers begin work of dismantling, maintenance, and repair which had been postponed from busier times. As a general rule our employees have been working full time, but in two or three centers, where there has not been work for the entire force, employees cheerfully accepted part time in order that no member of the group should be thrown out of work.

What the company has done in this emergency has been in line with its long-established policy. We have been steadily working toward greater stability of employment. One of the many advantages of this is avoidance of the loss incurred in training new employees. Our low labor turnover of 26 per cent for the year 1929 reflects the success of our efforts to stabilize employment. This compares with 45 per cent, the average labor turnover for the same year in 75 industries with a million and a half employees. We look upon our personnel as the most important part of the business. They are not just so many check numbers to be taken on or laid off according to fluctuations in demand. On this ground we claim no credit for philanthropy. In practically all of our operations we require a staff largely constituted of experienced men possessing skill obtained over a long period of years. Without such an adequate and trained force continuously at hand the management of any operation would be seriously handicapped.

Partnership in this company came into existence as the result of the wartime recognition of the interdependence of capital, management, and labor. It was recognition not alone of the rights of each but of the responsibilities of each. It is, therefore, only fair to assume that in the discharge of its responsibilities management should exert its efforts to safeguard the jobs of regular employees in periods of trade depression. In a cooperative industry, such as this company has become, one set of partners can not benefit at the expenses of the others in the partnership.

Each industry has its own characteristics, and I am not suggesting that policies which have proved successful with the Standard Oil Company (New Jersey) can or should be adopted by all large employers of labor. Forward looking executives, however, recognize the need for regular and more sustained

schedules of operation, which will, to the maximum extent, free labor from the uncertainties caused by frequent shutdowns. Good management seeks to level the peaks of overtime and bring up the valleys of part time, and by better organization and planning to spread employment more evenly over the 12 months.

A RADIO ADDRESS BY MORRIS E. LEEDS, PRESIDENT OF THE LEEDS & NORTHRUP CO.

(Delivered over the Columbia Broadcasting Co. System, 7.45 to 8 p. m., eastern standard time, Friday, January 2, 1931, from Station WCAU, Philadelphia, Pa., under the auspices of the President's Emergency Committee for Employment)

I willingly accede to Colonel Woods's request that I tell this audience something about the measures which our company has in operation to further the security of our workers. I do this not because I believe that our plans are ideal, even for our company, or that they would be applicable without extensive modification to other industries; but rather because they were inaugurated some years back, and in so far as they deal with unemployment, are now undergoing their first serious test; and our experience may help others who are thinking and want to act along similar lines.

We are manufacturers of electrical measuring instruments and apparatus for temperature measurements and control, and employ about 1,100 people. (Because of the variety and complexity of our product and the amount of engineering required, an unusually large proportion of our people are employed in office, sales, research, engineering, inspection, and factory service divisions.) Instruments of precision can be successfully produced only by trained workers whose skill develops with years of experience, and there are sound business reasons for conserving a force of such people after they have been gotten together and trained because once scattered they can not be quickly and satisfactorily replaced. However, considerations other than these drove home to us the need for stabilized employment. Our product is widely distributed and demand has little seasonal variation, but to a large extent we supply equipment used in manufacture, and our business rises and falls in close relationship to the curve of total volume of manufacture in the country. We were seriously affected by the 1921 depression as we are to-day. Then we were caught with large inventories, and in other ways were little prepared for a slump, and found it necessary to make a considerable reduction of force. Talks with some of our people, who after years of employment were being dismissed, showed us how serious a crisis we were bringing into their lives. Those who had no savings were confronted with real physical want. Others had to give up partly purchased homes, discontinue the education of children, and the like. All of these commendable plans had been undertaken because of the expectation of continued employment. Thus the social harm that comes from the sudden interruption of employment became obvious to us. We saw why the founder of the world-famous optical works, Carl Zeiss of Jena, said that industry had an obligation toward those whom it dismissed to see that they were provided with means of support during a reasonable time in which to relocate themselves, and that this obligation bore some relation to the length of their employment. We examined with renewed interest the provisions he made for discharging this obligation and resolved that we would make similar provision if a return of prosperity permitted. The opportunity came in 1923, and we then inaugurated our unemployment fund with a payment of $5,000, and arranged to contribute to the fund 2 per cent of each pay roll until the total fund should equal twice the largest pay roll of any week in the previous 12 months. The total pay roll, including officers' salaries, is used as a base for these calculations, and is considerably larger than the pay roll of those entitled to benefit. Estimates made at that time indicated that these provisions would give a sufficient fund, when fully accumulated, to pay what we then thought suitable retiring allowances to as many as were likely to be laid off or have their working time reduced. We arranged for a trust company to hold the fund under a trust agreement for this particular purpose, so that it would not be at the hazard of the business.

Promptly after the establishment of the fund we informed the council of our cooperative association of this action. Let me explain here that the Leeds and Northrup Cooperative Association is an organization of all our employees, which through its elected council, deals with all matters of employee interest. Some

of them—such as athletics, a sick benefit organization, and various activities of a cultural and social nature—it handles entirely on its own responsibility; others—such as cafeteria management, group life insurance, and old-age pension, good order of the plant, rules in regard to vacations with pay, on time bonus, etc., it handles in cooperation with management.

In explaining the unemployment fund to council we said: "We should like to have you assume the chief responsibility for the management and disbursement of this fund." We pointed out that benefits would be paid only up to the amount of the fund as accumulated, and undertook no obligation beyond that. The council willingly assumed the responsibilities asked of it and made rules for managing and disbursing the fund, the outstanding features of which are these:

Control of the fund is vested in a committee of 5—3 appointed by council and 2 by the company.

Unemployment benefits are to be paid only to employees whose annual compensation is $2,600 or less.

Unemployment benefits are to be paid at the rate of 75 per cent of wages for those having dependents and 50 per cent for those without dependents.

Unemployment benefits are to be paid to those discharged, laid off for a time, or working less time than the company's 44-hour week. (Those who may be discharged for cause do not benefit from the fund, but have the right of appeal to a board composed entirely of employees appointed by council.)

Unemployment benefits are to run for a time which varies with the length o time the recipient has been with the company, and ranges from 3 weeks for those who have served 3 months up to 26 weeks for those who have served 5 years. In general, each year of service adds 5 weeks of compensation.

Those who work on a reduced schedule are compensated for the time lost in the same proportion as those who lose full time.

Benefits cease if the recipient gets another job, but may be reinstated if he loses or quits that job and has not yet received all payments due him.

We realized when we inaugurated these plans that unemployment compensation is at best a palliative, and is by no means so desirable as continuous work. For a selfish reason we had no desire to see the fund dispersed because that would later put the company to the expense of making good the depletion. We accordingly adopted other measures to stabilize employment. When business is brisk we increase working hours, paying time and half time for time worked in excess of 44 hours per week; when it slackens we drop back to the standard week. We thus avoid taking on for peak business people who would have to be laid off when it lessens, and in the overtime pay we share prosperity with our workers. In periods of slack business we manufacture for stock. For many of our products there is a sufficiently stable demand to justify stock accumulation. We have provided for it in our financial budget and intend to carry it as far as a detailed analysis of sales records will warrant. We carry on research to develop new apparatus and new uses for present products, and do this on a scale that is large in proportion to the size of our business. By continuous increments of 2 per cent of the pay roll the fund reached the required maximum in August, 1924, but since then a growing pay roll has frequently set new standards and called for further contributions. In January, 1930, by total payments of about $68,000 and interest accumulations, it amounted to some $82,000 and was at the required maximum. Up till then demands on it had been insignificant and the amounts paid out seemed to be sufficient to carry people over until they could relocate. Since then there have been much heavier demands; 108 people have received separation allowances, and 503 compensation on account of part time. Under the rules $24,000 has been paid, and should our present part-time rate of operation be continued for several months, some $24,300 more will be paid. Allowing for interest accumulations, these demands will take not much more than half the fund and leave some $40,000 available for still further reductions of force, which we now hope will not be necessary. Of the people eligible for benefits who were completely laid off, 36 per cent relocated themselves before their benefits ceased, which seems a pretty good record for these times; 55 per cent had not gotten new jobs when their benefits ran out; the remainder (about 9 per cent) did not apply for benefits.

Council is making inquiry to find out whether those whose benefits have ceased are in need, and provision is being made either through loans from the fund or, in case loans seem inadvisable, through gifts from a special fund being contributed by those who have had the good fortune to remain on full pay. Indications are that up to this time needs have been pretty well met. There are only six applications for loans and these are for small amounts. If the depression

continues for many months after benefit payments cease, there will doubtless be other cases. We intend to keep as closely in touch as we can with all who are either on part time or who have had their names entirely removed from the payroll, and after the depression is over we will review our experience and then make such amendments in our rules as it may indicate.

In the first address of this series in which President Gerard Swope, of the General Electric Co., described the provisions for workers' security set up by his company, he closed with these words: "We are now in a situation where things must be done on a broader scale than this." I close with the same note and I want to emphasize it. Our industrial system in America finds itself in a grave, tragic, stupid, and anomalous situation. I weigh my words when I so characterize it. It is grave because of the justified discontent with which the able and willing worker, who is denied opportunity, regards our institutions. It is tragic because of the wreckage to health and morale which results from depressed standards of living and forced recourse to charity. It is stupid and anomalous because these things are happening while we have at our disposal per capita wealth far greater than any other country has ever enjoyed. We have abundant—seemingly superabundant—resources of raw materials, man power, manufacturing, transportation, and distribution facilities. We also have a seeming plethora of fluid capital. On the one hand we have idle workers— literally millions of them—able to work, exceedingly anxious to do so, and desperately in need of the things which they might produce if they had the opportunity; on the other, we have idle plants which the owners very much desire to have in operation, and, in many cases, desperately need to have working for financial reasons where the idle workers might make the things they need; and we do not know how to bring the two together. No one profits by the situation; on the contrary, everyone loses. It seems to be nobody's fault. It has come about as the result of uncontrolled economic forces which are not well understood.

I submit that industrialists, economists, and statesmen should now address themselves wholeheartedly to the correction of this unfortunate situation, with a fixed determination to stay on the job until it has been mastered.

SUMMARY OF A RADIO ADDRESS BY WILLIAM G. STUBER, PRESIDENT OF THE EASTMAN KODAK CO., ON METHODS USED BY THAT COMPANY TO STABILIZE EMPLOYMENT

(Delivered over the Columbia Broadcasting System from Station WHEC, Rochester, N. Y., from 6.30 to 6.45 p. m., eastern standard time, Tuesday, January 6, 1931, under the auspices of the President's Emergency Committee for Employment)

Attention of the press is called particularly to statements under the subhead "Results of Efforts."

This is the sixth of a series of nation-wide radio presentations by industrial executives of methods used in their firms to stabilize employment.

Thirty years ago, when the company was expanding rapidly, the management realized that it would be good policy, from the point of view of both the company and the employees, to produce at as constant a rate as possible throughout the year instead of the rate at which the goods are sold. At that time steps were taken to accumulate stock during the slack season, although this meant a large capital investment in refrigerator plants for the storerooms in which the sensitized goods were kept and also an increase in the carrying charges on the inventory. The plan has been steadily improved since that time and, while at first it was planned for only a few products, it is now used for practically all of the products of the plant. This production program involves four major steps which will be outlined briefly.

First, a forecast of sales is absolutely essential. This sales forecast is made by the statistical department in cooperation with the sales department. The estimates take into account the long-time trend of sales, current business conditions, and any special advertising and sales programs. The forecast covers a period of one year and every effort is exerted to make it as accurate as possible. The forecast for the year is modified from time to time taking into account changes in conditions. The problem of making accurate forecasts is a statistical one and it is surprising sometimes how accurate they can be made when all the facts are taken into consideration.

The second step is to break down the annual forecast into monthly sales. In order to do this we have made a study of the seasonal sales, month by month,

over a period of several years, in this way arriving at a normal seasonal variation. The sales for each month are expressed as a percentage of the sales for the entire year. When these percentages are applied against the estimated sales for the year, we obtain the estimate of sales for each month.

The third step is to establish the most economical production level throughout the year. We make allowance for vacation demands during July and August, and production is reduced somewhat during these two months. The plan calls, therefore, for steady production during 10 months with reduced production during the summer months, the time of the sales peak. In case the sales have been higher than estimated, vacations are curtailed, and in case they have not been up to the estimate, vacations are increased.

Determination of the amount of stock to be carried at all times of the year is the fourth step. The minimum stock is carried at the end of the busy season. Estimates are made of the normal stock to be carried each month with this as the starting point. Stocks are built up during the slack season and reduced during the busy season. We know just how much stock to plan for at all times of the year and storage facilities are provided accordingly.

The four steps which have been outlined give a brief description of the production control on finished goods. It is adapted to fit each particular product and is used in planning the production of an individual product or to control the production of an entire department. It is frequently necessary to accumulate more than the normal stock of a few large selling products when there are small orders coming through for special products which can not be stocked. In this way the large stocks will consist only of those products which may be called the "bread-and-butter" line.

When the seasonal variation has been eliminated from the production of finished products it becomes a simple matter to schedule the supply of parts and semifinished products throughout the plants. We establish maximum and minimum stock limits within which the stock of semifinished products may fluctuate, maintaining all the time a constant rate of production. In general all the manufacturing processes are keyed to the average annual rate of sales and the fluctuations in stock absorb the minor fluctuations in production.

RESULTS OF EFFORTS

What have been the results of this program? At the Kodak Park Works, during the eight years from 1922 through 1929, the number of employees laid off on account of lack of work averaged only 2 per cent of the force. During this period the highest lay offs in any one year was less than 5 per cent of the force and the lowest 0.7 per cent.

The company has thus been able to give steady employment to workers and both the company and the employees have benefited. By having production uniform throughout the year it is not necessary to have as large an investment in plant and equipment.

If we had a plant large enough to meet the peak sales, our investment would be much higher and much of the equipment would be idle during the slack-sales season. This saving in carrying charges on the plant much more than offsets the additional carrying charge due to higher inventories during the slack season and the larger storage facilities.

Without this uniform production it would also be necessary to have highly trained operators who would be busy during a few months of the year and for whom there would be no work during the remainder of the year. We can get increased output from the worker who is engaged all the year as compared with one who would work only part of the year. In normal times, therefore, this method has enabled the company to produce at a lower cost, and the employees have had steady work.

This method is designed primarily to eliminate the effect of the seasonal variation in sales of our products. We have found, however, that we are also in a better position to meet business depressions. An organization has been built up to assemble the facts, to make forecasts of sales, and to control production and stocks. We can not expect to escape the effects of a world-wide depression but by means of this organization and through careful planning we can minimize the effects of these depressions upon employees.

During the first part of 1930 there were more employees at Kodak Park Works than in 1929. When the effects of the depression were felt in the summer of 1930 and it became necessary to curtail production, a number of departments were put on a 5-day week. In a few cases, a shorter week has been necessary. Lay offs

have been kept at a minimum and during the year 1930 only 2½ per cent of the workers engaged in production have been laid off or only slightly more than during normal years. This compares with lay offs of 14 per cent in 1921.

In the fall of 1929 an extensive construction program was inaugurated to increase the facilities of some of the departments at Kodak Park. When the depression came and it was realized that our business would be affected during 1930, the management decided nevertheless not to interrupt this construction program. The management felt justified in continuing this program because it had confidence that the business would continue to grow after the depression was over and also because construction costs were low. As a result of this building program, employment was given to 600 workers, a large number of whom would otherwise have been idle. As these buildings have been completed it has been necessary to lay off some of these construction workers who were engaged temporarily. The total lay offs at Kodak Park, however, including construction workers, have been only 5 per cent.

In our other Rochester plants, the products of which are affected more by business depressions, it has been necessary to curtail production to a greater extent. Every effort has been made to put workers in these plants on part time instead of laying them off. The departments affected were placed on a 5-day week and in some cases a greater curtailment in the working hours has been necessary.

In the past year we have done as much repair and maintenance work as possible and have thus kept men employed who might otherwise have been laid off. We have continued our advertising at the normal rate and have also used special efforts to stimulate sales.

Due to the stabilization methods in use and the construction program, the average force employed in Rochester in 1930 was greater than in 1929 although many of the workers were on reduced hours during the latter part of the year. Some reduction in the force during the latter part of the year was also necessary. Although the employees at the end of 1930 were 8 per cent fewer than at the beginning of the year, the force was still as large as in the middle of 1929, just prior to the decline in business.

During the 50 years of the company's history it has passed through a number of business depressions. We feel that our company, along with many others, has made distinct progress since the last depression in methods of meeting these world-wide depressions and minimizing their effects upon the employees. We realize that there is yet much to be done and we will continue to give the problem thought and study.

The CHAIRMAN. Colonel, we are very much obliged to you for this information which you have given the committee.

The committee will now adjourn until 2.30 this afternoon, when we will have Mr. MacDonald before us.

(Thereupon, at 11.35 o'clock a. m., the committee took a recess until 2.30 o'clock p. m. of the same day.)

AFTERNOON SESSION

(The committee reconvened, pursuant to the taking of a recess, Senator Wesley A. Jones, chairman, presiding.)

The CHAIRMAN. The committee will come to order. We will hear Mr. MacDonald.

STATEMENT OF THOMAS H. MacDONALD, CHIEF OF THE BUREAU OF PUBLIC ROADS, DEPARTMENT OF AGRICULTURE

The CHAIRMAN. Now, then, we are directed by this resolution, Mr. MacDonald, which I assume you have read, "to obtain any and all plans which may have been worked out by the bureau with the various highway commissions or departments of the several States concerning road building in the existing unemployment situation."

Now, then, will you proceed in your own way and give the committee that information?

Mr. MACDONALD. Mr. Chairman and gentlemen of the committee, I have read the resolution carefully and believe that it calls for a statement of the availability of road funds covering not only the Federal road funds, but those that come from other sources within and under the direction of the States. I have prepared a short statement which may be inserted in the record, but which, rather than read in detail, I will summarize, if it pleases the committee.

HIGHWAY WORK IN THE UNITED STATES

During the past 30 years the business of providing highway service has grown from an infant industry, so far as the manufacture of the vehicle is concerned, to one of the leading industries of the country and in the matter of building roads the change has been from a matter of intermittent community effort to one of county, State, and Federal activity involving the planning, financing, construction, maintenance, and operation of coordinated systems of highways with the annual expenditure or investment exceeding one and one-half billions of dollars.

Since 1925 the annual increase in income, State and local, has been at the rate of about $100,000,000 per year. The following table shows how the income available for State highways has grown from $592,000,000 in 1925 to $887,000,000 in 1929, and the income for local roads from $652,000,000 to $758,000,000, the total income having increased from $1,245,000,000 in 1925 to $1,646,000,000 in 1929:

Highway income, State and local

Year	State highways	Local roads	Total
1925	$592,687,543	$652,583,801	$1,245,271,344
1926	603,234,860	745,459,113	1,348,693,973
1927	649,949,861	802,629,572	1,452,579,433
1928	762,616,694	804,329,476	1,566,946,170
1929	887,616,626	758,413,807	1,646,030,433

NOTE.—Transfers between State and local funds are not included.

During this same period total expenditures for State and local roads have increased from $1,241,000,000 in 1925 to $1,615,000,000 in 1929. The expenditure for 1930 is expected to exceed the 1929 total by a considerable margin. The division of these expenditures by years between State highways and local roads by construction, maintenance and other items is shown in the following table:

Highway expenditures State and local roads [1]

Year	Construction	Maintenance	Other	Total
State highways:				
1925	$389,327,384	$119,303,560	$114,918,660	$623,549,604
1926	356,174,616	125,617,313	116,104,243	597,896,172
1927	404,217,317	138,783,358	128,188,913	671,189,588
1928	536,294,303	158,878,573	96,491,757	791,664,633
1929	557,400,625	173,060,321	134,232,971	864,693,917
Local roads:				
1925	264,965,764	196,573,516	155,960,209	617,499,489
1926	265,718,219	213,236,069	199,847,134	678,801,422
1927	289,180,355	237,970,467	221,094,913	748,245,735
1928	282,314,715	259,753,188	220,435,948	762,503,851
1929	256,581,811	260,477,801	233,765,809	750,825,421
Total:				
1925	654,293,148	315,877,076	270,878,869	1,241,049,093
1926	621,892,835	338,853,382	315,951,377	1,276,697,594
1927	693,397,672	376,753,825	349,283,826	1,419,435,323
1928	818,609,018	418,631,761	316,927,705	1,554,168,484
1929	813,982,436	433,538,122	367,998,780	1,615,519,338

[1] Transfers excluded.

In all the preceding figures the Federal-aid funds have been included with the State highway income and expenditures. Beginning in 1916 with an initial appropriation of $75,000,000 for a 5-year program of cooperation with the States the Federal-aid authorizations, including the one for the fiscal year 1933 total $1,290,000,000. Up to January 1, 1931, the Federal Government had cooperated with the States in improving 88,945 miles of road, 9,088 miles were under construction, and an additional 2,875 miles were approved for construction.

Up to January 1, 1931, the Bureau of Public Roads has expended about $75,000,000 in the survey, construction and maintenance of forest roads and had under construction projects involving an estimated total cost of $17,000,000. These projects were about 65 per cent complete on January 1, 1931.

For work under its supervision the Bureau of Public Roads has available or to be made available in bills now before Congress a total of $269,400,000. The details of these funds are as follows:

Highway cash calendar year 1931

Regular funds:		
Balance of Federal-aid cash, Jan. 1, 1931, approximately	$11,000,000	
Carried in first deficiency Federal aid	34,000,000	
Carried in agricultural bill, 1932	125,000,000	
		$170,000,000
Forest highways balance, Jan. 1, 1931, approximately	3,900,000	
Carried in agricultural bill, 1932	9,500,000	
		13,400,000
Emergency funds:		
Federal-aid emergency advance	80,000,000	
Roads within national forests	3,000,000	
Roads through public lands	3,000,000	
		86,000,000
		269,400,000
Federal aid:		
Regular	170,000,000	
Emergency	80,000,000	
		250,000,000
Forest highways:		
Regular	13,400,000	
Emergency	3,000,000	
		16,400,000
Roads through public lands		3,000,000
		269,400,000

In the period of a little more than a year, from December 2, 1929, to December 23, 1930, apportionments of Federal-aid funds totaling $330,000,000 were made by the Secretary of Agriculture under authorizations by the Congress. These apportionments were as follows:

Dec. 2, 1929, authorization 1931	$75,000,000
Apr. 7, 1930, act Apr. 4, authorization 1931	50,000,000
Sept. 1, 1930, authorization 1932	125,000,000
Dec. 23, 1930, Emergency Act Dec. 20, 1930	80,000,000
Total	330,000,000

Up to December 1, 1930, all but $155,000,000 of the regular Federal-aid apportionments shown above had been obligated on approved projects. By making use of their share of the $80,000,000 emergency appropriation and providing an additional $65,000,000 of State funds, a new Federal-aid program totaling $300,000,000 is possible with present available funds, of which $235,000,000 will be financed from Federal appropriations.

On January 1, 1931, Federal-aid projects were under construction involving a total estimated cost of $233,000,000, with Federal aid of $99,500,000. This work was about 67 per cent completed, leaving a program of work still to be done of $77,500,000 estimated total cost, and $33,000,000 Federal aid. On this same date new projects had been approved with an estimated total cost of $60,000,000, with

Federal aid of $25,000,000, or making a current program of work yet to be done of $137,500,000, with $58,500,000 Federal aid. Coupled with the $300,000,000 possible program previously mentioned the total possible Federal-aid program for the calendar year 1931 is $437,500,000 total cost, with Federal funds available to finance $293,500,000 of the total and State funds of $144,000,000 supplying the balance.

For forest road work under the supervision of the Bureau of Public Roads there will be $16,400,000 cash available during the calendar year 1931. Authorizations available for new work including the $3,000,000 emergency appropriation amount to $13,500,000. On projects already under way there remains about $6,000,000 worth of work yet to be accomplished. This makes a total possible program in 1931 of $19,300,000.

The emergency appropriation of $3,000,000 for roads through Public Lands will add this amount to the road program for 1931.

The grand total of Federal funds available to the Bureau of Public Roads for work in 1931 totals $315,800,000 which with the previously mentioned $144,000,000 of State funds will provide a highway program of $459,800,000.

In considering the present situation, it is impossible, in my judgment, to separate the Federal funds available from the road funds available from other sources, because of the cooperative relations which exist between the Federal Government and the States.

The Federal-State program is very much larger than is indicated by either the Federal or the State funds alone.

The CHAIRMAN. Well, this calls for all plans worked out by the bureau with the State agencies.

Mr. MACDONALD. I have so interpreted it in this statement. The total road income in the States from sources other than Federal aid has been increasing since 1925 at the rate of about $100,000,000 per year. The increase is largely from the earnings of the roads. That is, it is from the increase in the motor-vehicle licenses and the gas taxes, largely. During this time most of the road bond issues also have been financed from the income from the road users.

I recall no recent State bond issues that are financed from property taxes. They have been predicated upon the income from the motor vehicle user through the motor-vehicle licenses and gas taxes.

In 1925, the income available for State highways, and in that, I group the Federal-aid highways was $592,000,000.

In 1929 this had grown to $887,000,000, which together with the income for local road purposes, that is, the income that accrues to the counties, townships, and other local subdivisions, amounted to a total of $1,646,000,000 in 1929. Our figures are not available for this last year, but we anticipate about the same rate of increase. It may be somewhat less than that, but it will be at least equal to the 1929 total income.

Senator PHIPPS. That would be for the fiscal year 1930, covering last July 1. Are not those figures available for the period since last June or the 1st of July last?

Mr. MACDONALD. This is on the basis of the calendar year.

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Mr. MACDONALD. The income of the States is not yet known. Practically all issue their license tags the 1st of January. So, the State income we have carried on the basis of the calendar year, and the figures that I mention here are not available for the calendar year just closed.

Senator PHIPPS. But there would be about one and three-quarters billions?

Mr. MACDONALD. It would be about one and three-quarters billions.

And we have no reason to suspect that that income will be less than that during the coming year.

In analyzing the situation as a basis for the emergency road or public works relief measure this fact appeared, however, that because of the program which was undertaken in a large way for the past year, many of the States at the moment have exhausted the cash in their treasuries.

During the past year we had a very much more favorable construction season than has existed within my recollection, and contracts were generally completed to a greater degree than is ordinarily the case. In other words, we are carrying over less uncompleted work than is ordinarily true, and that fact, together with the speeding up of the work and taking on as many projects as possible has temporarily taken up largely the funds of the States, which will be replenished from the future gas taxes and their license fees for the new year.

On that basis $80,000,000 was provided to take the place of State funds, to meet Federal aid.

From the Federal standpoint it is necessary, in order to give a complete picture to run over what has been done during the past 12 months.

On December 2, 1929, $75,000,000 was apportioned to the States. That was the regular Federal-aid apportionment for the fiscal year 1931.

In April, 1930, that authorization was increased by $50,000,000.

Because of the fact that 10 States had taken up their funds; that is, had obligated their pro rata to going projects, the Secretary on September 1, 1930, under the discretion vested in him, apportioned the 1932 authorization of $125,000,000 to stimulate employment, particularly in the drought area.

Then the emergency appropriation act was passed on December 20, 1930, and on the 23d the apportionment was made to the States. From December 2, 1929, to December 23, 1930, a total of $330,000,000 has been apportioned to the States.

Senator SMOOT. Mr. MacDonald, do you know what States have failed to provide their pro rata in the expenditure of this money within the borders of the States?

Mr. MACDONALD. No State has failed entirely. There is only one State that has materially lagged, I should say. That is Mississippi, due to a reorganization of their highway commission, and the fact that they have not provided an adequate State highway income at the present time.

Senator SMOOT. You feel that the $330,000,000 is in a fair way of being expended within the next year?

Mr. MACDONALD. Yes; I do. I will develop that further.

Senator GLASS. Mr. MacDonald, the portion of regular funds for the current fiscal year that was allotted does not necessarily mean that fund is available now, does it? It will not be available until the 1st of July, will it?

Mr. MACDONALD. We have this year included in the 1932 appropriation bill, the "available immediately" provision, so that any of these funds of which I am speaking are available for immediate expenditure.

Senator GLASS. Will be, with the passage and approval of the appropriation bill?

Mr. MACDONALD. With the passage and approval of the pending legislation.

Senator HAYDEN. That legislation is in the agricultural appropriation bill and has passed the House?

Mr. MACDONALD. Yes. A part is in the pending first deficiency bill.

Senator GLASS. That has been reported?

Mr. MACDONALD. That has been reported.

On December 1 of this year the States had taken up all but $155,000,000; that is, had obligated all but $155,000,000 to approved projects.

By each State making use of its share of the $80,000,000 emergency appropriation, to meet its regular Federal prorata and if the States will provide a total of $65,000,000, it will provide the necessary funds for a construction program of $300,000,000 immediately.

Without any State funds, the $80,000,000 matched with the regular Federal-aid funds, provides for a program of $168,000,000. To meet the balance of the regular Federal-aid road fund, the States will need to provide $65,000,000, which will bring the total available Federal-aid new construction program to $300,000,000.

Senator SMOOT. Will you put that in the record at this point?

Mr. MACDONALD. Yes, sir.

Senator SMOOT. I understand that that is a statement showing the funds?

Mr. MACDONALD. The statement is submitted for the record.

Senator SMOOT. That is the statistics and shows what the States have?

Mr. MACDONALD. Yes, Senator Smoot. This schedule is divided by States, and shows the possible new Federal-aid program.

(The statement above referred to is printed in the record in full as follows:)

Possible highway program under emergency and regular highway funds

State	Apportionment of $80,000,000 advance fund	Federal aid required to match advanced funds	Total program using only Federal funds (1+2)	Balance of Federal aid not used to match advance fund as of Dec. 1, 1930	State funds required to meet the Federal aid shown in the previous column	Total program using Federal and State funds (4+5)	Grand total program (3+6)
Alabama	$1,698,645	$1,698,645	$3,397,290	$3,583,897	$3,583,897	$7,167,794	$10,565,084
Arizona	1,170,481	2,399,674	3,570,155				3,570,155
Arkansas	1,388,157	1,388,157	2,776,314	1,391,983	1,391,983	2,783,966	5,560,280
California	3,108,233	4,427,520	7,535,753				7,535,753
Colorado	1,507,832	1,931,566	3,439,398	1,918,620	1,497,726	3,416,346	6,855,744
Connecticut	520,491	520,491	1,040,982	742,154	742,154	1,484,308	2,525,290
Delaware	400,000	400,000	800,000	218,547	218,547	437,094	1,237,094
Florida	1,086,438	1,086,438	2,172,876	1,554,271	1,554,271	3,108,542	5,281,418
Georgia	2,077,996	2,077,996	4,155,992	2,595,140	2,595,140	5,190,280	9,346,272
Idaho	1,008,035	1,551,729	2,559,764	292,971	190,320	483,291	3,043,055
Illinois	3,400,116	3,400,116	6,800,232	3,735,830	3,735,830	7,471,660	14,271,892
Indiana	2,045,929	2,045,929	4,091,858	2,395,616	2,395,616	4,791,232	8,883,090
Iowa	2,116,369	2,116,369	4,232,738	922,975	922,975	1,845,950	6,078,688
Kansas	2,192,301	2,192,301	4,384,602	1,929,206	1,929,206	3,858,412	8,243,014
Kentucky	1,504,715	1,504,715	3,009,430	55,015	55,015	110,030	3,119,460
Louisiana	1,147,927	1,147,927	2,295,854	1,373,431	1,373,431	2,746,862	5,042,716
Maine	715,799	715,799	1,431,598	1,202,345	1,202,345	2,404,690	3,836,288
Maryland	678,752	678,752	1,357,504	320,392	320,392	640,784	1,998,288
Massachusetts	1,141,460	1,141,460	2,282,920	1,704,148	1,704,148	3,408,296	5,691,216
Michigan	2,521,382	2,521,382	5,042,764	1,831,183	1,831,183	3,662,366	8,705,130
Minnesota	2,249,993	2,249,993	4,499,986	497,407	497,407	994,814	5,494,800
Mississippi	1,434,736	1,434,736	2,869,472	4,076,099	4,076,099	8,152,198	11,021,670
Missouri	2,526,823	2,526,823	5,053,646	774,286	774,286	1,548,572	6,602,218
Montana	1,671,930	2,180,443	3,852,373	2,528,171	1,938,562	4,466,733	8,319,106
Nebraska	1,708,031	1,708,031	3,416,062	2,435,499	2,435,499	4,870,998	8,287,060
Nevada	1,049,638	1,887,645	2,937,283				2,937,283
New Hampshire	400,000	400,000	800,000	172,280	172,280	344,560	1,144,560
New Jersey	1,107,807	1,107,807	2,215,614	1,440,560	1,440,560	2,881,120	5,096,734
New Mexico	1,303,288	2,291,989	3,595,277	59,754	33,978	93,732	3,689,009
New York	4,050,566	4,050,566	8,101,132	7,723,840	7,723,840	15,447,680	23,548,812
North Carolina	1,926,775	1,926,775	3,853,550	2,515,907	2,515,907	5,031,814	8,885,364
North Dakota	1,298,532	1,298,532	2,597,064	1,179,804	1,179,804	2,359,608	4,956,672
Ohio	2,998,538	2,998,538	5,997,076	1,526,573	1,526,573	3,053,146	9,050,222
Oklahoma	1,926,351	2,383,159	4,309,510	243,159	196,550	439,709	4,749,219
Oregon	1,320,287	1,787,011	3,107,298				3,107,298
Pennsylvania	3,512,943	3,512,943	7,025,886	1,854,144	1,854,144	3,708,288	10,734,174
Rhode Island	400,000	400,000	800,000	226,545	226,545	453,090	1,253,090
South Carolina	1,114,636	1,114,636	2,229,272	186,049	186,049	372,098	2,601,370
South Dakota	1,337,973	1,670,736	3,008,709	612,012	490,117	1,102,129	4,110,838
Tennessee	1,741,882	1,741,882	3,483,764	1,545,042	1,545,042	3,090,084	6,573,848
Texas	5,088,080	5,088,080	10,176,160	5,148,001	5,148,001	10,296,002	20,472,162
Utah	926,521	1,518,505	2,445,026				2,445,026
Vermont	400,000	400,000	800,000	213,889	213,889	427,778	1,227,778
Virginia	1,505,502	1,505,502	3,011,004	750,048	750,048	1,500,096	4,511,100
Washington	1,270,933	1,490,164	2,761,097	1,054,900	899,704	1,954,604	4,715,701
West Virginia	875,384	875,384	1,750,768	232,344	232,344	464,688	2,215,456
Wisconsin	1,992,410	1,992,410	3,984,820	598,624	598,624	1,197,248	5,182,068
Wyoming	1,029,383	1,679,190	2,708,573				2,708,573
Hawaii	400,000	400,000	800,000	1,452,770	1,452,770	2,905,540	3,705,540
Total	80,000,000	88,568,446	168,568,446	66,815,431	65,352,801	132,168,232	300,736,678

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Arizona	1,170,481	2,399,674	3,570,155				3,570,155
Arkansas	1,388,157	1,388,157	2,776,314	1,391,983	1,391,983	2,783,966	5,560,280
California	3,108,233	4,427,520	7,535,753				7,535,753
Colorado	1,507,832	1,931,566	3,439,398	1,918,620	1,497,726	3,416,346	6,855,744
Connecticut	520,491	520,491	1,040,982	742,154	742,154	1,484,308	2,525,290
Delaware	400,000	400,000	800,000	218,547	218,547	437,094	1,237,094
Florida	1,086,438	1,086,438	2,172,876	1,554,271	1,554,271	3,108,542	5,281,418
Georgia	2,077,996	2,077,996	4,155,992	2,595,140	2,595,140	5,190,280	9,346,272
Idaho	1,008,035	1,551,729	2,559,764	292,971	190,320	483,291	3,043,055
Illinois	3,400,116	3,400,116	6,800,232	3,735,830	3,735,830	7,471,660	14,271,892
Indiana	2,045,929	2,045,929	4,091,858	2,395,616	2,395,616	4,791,232	8,883,090
Iowa	2,116,369	2,116,369	4,232,738	922,975	922,975	1,845,950	6,078,688
Kansas	2,192,301	2,192,301	4,384,602	1,929,206	1,929,206	3,858,412	8,243,014
Kentucky	1,504,715	1,504,715	3,009,430	55,015	55,015	110,030	3,119,460
Louisiana	1,147,927	1,147,927	2,295,854	1,373,431	1,373,431	2,746,862	5,042,716
Maine	715,799	715,799	1,431,598	1,202,345	1,202,345	2,404,690	3,836,288
Maryland	678,752	678,752	1,357,504	320,392	320,392	640,784	1,998,288
Massachusetts	1,141,460	1,141,460	2,282,920	1,704,148	1,704,148	3,408,296	5,691,216
Michigan	2,521,382	2,521,382	5,042,764	1,831,183	1,831,183	3,662,366	8,705,130
Minnesota	2,249,993	2,249,993	4,499,986	497,407	497,407	994,814	5,494,800
Mississippi	1,434,736	1,434,736	2,869,472	4,076,099	4,076,099	8,152,198	11,021,670
Missouri	2,526,823	2,526,823	5,053,646	774,286	774,286	1,548,572	6,602,218
Montana	1,671,930	2,180,443	3,852,373	2,528,171	1,938,562	4,466,733	8,319,106
Nebraska	1,708,031	1,708,031	3,416,062	2,435,499	2,435,499	4,870,998	8,287,060
Nevada	1,049,638	1,887,645	2,937,283				2,937,283
New Hampshire	400,000	400,000	800,000	172,280	172,280	344,560	1,144,560
New Jersey	1,107,807	1,107,807	2,215,614	1,440,560	1,440,560	2,881,120	5,096,734
New Mexico	1,303,288	2,291,989	3,595,277	59,754	33,978	93,732	3,689,009
New York	4,050,566	4,050,566	8,101,132	7,723,840	7,723,840	15,447,680	23,548,812
North Carolina	1,926,775	1,926,775	3,853,550	2,515,907	2,515,907	5,031,814	8,885,364
North Dakota	1,298,532	1,298,532	2,597,064	1,179,804	1,179,804	2,359,608	4,956,672
Ohio	2,998,538	2,998,538	5,997,076	1,526,573	1,526,573	3,053,146	9,050,222
Oklahoma	1,926,351	2,383,159	4,309,510	243,159	196,550	439,709	4,749,219
Oregon	1,320,287	1,787,011	3,107,298				3,107,298
Pennsylvania	3,512,943	3,512,943	7,025,886	1,854,144	1,854,144	3,708,288	10,734,174
Rhode Island	400,000	400,000	800,000	226,545	226,545	453,090	1,253,090
South Carolina	1,114,636	1,114,636	2,229,272	186,049	186,049	372,098	2,601,370
South Dakota	1,337,973	1,670,736	3,008,709	612,012	490,117	1,102,129	4,110,838
Tennessee	1,741,882	1,741,882	3,483,764	1,545,042	1,545,042	3,090,084	6,573,848
Texas	5,088,080	5,088,080	10,176,160	5,148,001	5,148,001	10,296,002	20,472,162
Utah	926,521	1,518,505	2,445,026				2,445,026
Vermont	400,000	400,000	800,000	213,889	213,889	427,778	1,227,778
Virginia	1,505,502	1,505,502	3,011,004	750,048	750,048	1,500,096	4,511,100
Washington	1,270,933	1,490,164	2,761,097	1,054,900	899,704	1,954,604	4,715,701
West Virginia	875,384	875,384	1,750,768	232,344	232,344	464,688	2,215,456
Wisconsin	1,992,410	1,992,410	3,984,820	598,624	598,624	1,197,248	5,182,068
Wyoming	1,029,383	1,679,190	2,708,573				2,708,573
Hawaii	400,000	400,000	800,000	1,452,770	1,452,770	2,905,540	3,705,540
Total	80,000,000	88,568,446	168,568,446	66,815,431	65,352,801	132,168,232	300,736,678

Mr. MACDONALD. Mr. Chairman, I should like to make this statement, that while I have covered the subject in totals, we are dealing with 49 separate programs. What I say relates to the program as a whole, and will be true as to a majority of the States—but, there may be some exceptions to the rule.

The CHAIRMAN. Mr. MacDonald, I want to ask about the rather peculiar language of this resolution. We are asked "to obtain any and all plans which may have been worked out by the bureau with the various highway commissions or departments of the several States concerning road building in the existing unemployment situation."

Have you worked out any particular plans with any State highway commissions? If so, what?

Mr. MACDONALD. If you refer to what we call plans, I mean the plans and specifications for projects; we are approving those every day.

The CHAIRMAN. Well, this says, "to obtain any and all plans which may have been worked out by the bureau with the various highway commissions or departments of the several States concerning road building in the existing unemployment situation."

Now, I am asking you if you have worked out any particular plans with any highway commissions or departments?

Mr. MACDONALD. Yes. I had interpreted that, Mr. Chairman, to mean this, that immediately upon the passage of the emergency appropriation of $80,000,000 we advised every State as to the pro rata share, available to it; proceeded to issue emergency rules for the expenditure of the funds and projects are now being received and approved under the emergency appropriation.

The CHAIRMAN. You said emergency rules. What do you mean by that?

Mr. MACDONALD. Under the Federal highway act, the Secretary issues rules and regulations as to the submission of projects by the States.

The CHAIRMAN. What is the general character of the rules and regulations you have issued?

Mr. MACDONALD. The emergency rules to which I refer apply the ordinary rules and regulations to the submission of projects under the emergency clause with the exception that we have set up the provisions that in the performance of these emergency Federal-aid projects there should be as much hand labor as is economically possible; that there shall be no convict labor directly employed on these projects; that these projects shall be placed under way as soon as possible, and that the contractor in taking a contract shall be subject to orders from the State highway department to begin work whenever in the judgment of the State it is possible to begin.

Also, we have required and given authority to our district engineers to approve the contracts. I mean, to concur in, rather than approve the contracts. That is to decentralize the work to save time in placing work under way.

The CHAIRMAN. Have you a copy of those rules and regulations?

Mr. MACDONALD. I have.

The CHAIRMAN. Will you hand them to the reporter, and let them be incorporated in the record?

Mr. MACDONALD. Yes, sir.

(The matter referred to is printed in the record as follows:)

AMENDMENT NO. 3 TO THE RULES AND REGULATIONS OF THE SECRETARY OF AGRICULTURE FOR CARRYING OUT THE FEDERAL HIGHWAY ACT (EXCEPT THE PROVISIONS THEREOF RELATIVE TO FOREST ROADS) PROMULGATED JULY 22, 1922

Pursuant to the authority conferred upon the Secretary of Agriculture by the act of Congress approved November 9, 1921, entitled "An act to amend the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,' approved July 11, 1916, as amended and supplemented, and for other purposes" (42 Stat. 212), known and cited as the Federal highway act, the rules and regulations promulgated by the Secretary of Agriculture under date of July 22, 1922, for carrying out the provisions of said Federal highway act, are hereby amended by adding thereto two new regulations, to be known and designated as Regulation 15 and Regulation 16, respectively, and to read as follows:

REGULATION 15. PROJECTS UNDER EMERGENCY ACT OF DECEMBER 20, 1930

SECTION 1. The term "emergency advance funds," as used in this regulation, shall mean the $80,000,000 of Federal funds appropriated by the act of December 20, 1930 (Public No. 550, 71st Cong.), to be used as a temporary advance of funds to meet the States' share of the cost of work performed before September 1, 1931, on Federal-aid projects under the Federal highway act. All projects involving the use of such funds shall be designated "Emergency Federal-aid projects."

SEC. 2. Emergency Federal-aid projects shall be initiated by the States and submitted as other Federal-aid projects, and all such projects shall be subject to all provisions of these rules and regulations except where the same may be in conflict or inconsistent with this regulation.

SEC. 3. In the performance of work on emergency Federal-aid projects, in order to give employment to as much free labor as possible, no convict labor shall be used and preference shall be given to hand labor methods where reasonably economical.

SEC. 4. All emergency Federal-aid projects shall be placed under construction at the earliest date practicable. All contracts awarded by State highway departments for the construction of such projects shall contain a stipulation requiring the contractors to begin construction work when so ordered by the State highway department and to maintain thereon at all times a maximum efficient working force. No contract for any such project shall be entered into or award therefor made by any State without prior concurrence in such action by the district engineer of the Bureau of Public Roads.

SEC. 5. No payment of Federal funds will be made for the rental of machinery or equipment furnished by the State in performing work on any emergency Federal-aid project.

SEC. 6. On each project involving emergency advance funds, regular Federal-aid funds apportioned to the State under the Federal highway act shall be used to the maximum extent permissible by the statute; provided, that this stipulation shall not operate to prevent any so-called public land State from utilizing its apportionment of emergency advance funds.

SEC. 7. This regulation shall apply only to emergency Federal-aid projects.

REGULATION 16. PROJECTS THROUGH UNAPPROPRIATED OR UNRESERVED PUBLIC LANDS, NONTAXABLE INDIAN LANDS, OR OTHER FEDERAL RESERVATIONS OTHER THAN FOREST RESERVATIONS

SECTION 1. The term "main roads" as used in the act of June 24, 1930 (Public No. 426, 71st Cong.), shall be construed to include sections of the Federal-aid highway system, continuations thereof, and necessary connections between routes thereon.

SEC. 2. Projects for construction with the emergency appropriation of $3,000,000 under the act of December 20, 1930 (Public No. 550, 71st Cong.), shall be selected and recommended jointly by the district engineer of the Bureau of Public Roads and the State highway department.

SEC. 3. Construction of projects hereunder may be undertaken either by the States or by the Federal Government, as may be provided by project agreements entered into between the State highway departments and the Secretary of Agriculture.

SEC. 4. All provisions of Regulations 1 to 14, both inclusive, in so far as the same may be applicable and not in conflict with this regulation, shall apply to projects hereunder.

Done at the city of Washington this 29th day of December, 1930, as witness my hand and the seal of the Department of Agriculture.

ARTHUR M. HYDE,
Secretary of Agriculture.

Senator MCKELLAR. Mr. MacDonald, is there any rule or regulation there in reference to what wage shall be paid, as to whether the prevailing scale of wages shall be paid?

Mr. MACDONALD. No; we have made no rules or regulations as to that. That subject is under consideration now. Personally, I have come to the conclusion that we should not make any such rule.

Senator MCKELLAR. You have not made it?

Mr. MACDONALD. No, Senator.

Senator GLASS. And you have come to the conclusion that you can not make it?

Mr. MACDONALD. Yes, sir.

Senator GLASS. Under the decision of the Supreme Court in the Oklahoma case, you have no right to make it?

Mr. MACDONALD. No.

Senator GLASS. That is, you have no right to make any rules. Under that decision you think that it might be unwise to make a rule of that kind?

Mr. MACDONALD. Yes, Senator.

Senator PHIPPS. Mr. MacDonald, in your figures—I was out of the room a moment ago—did you include the $3,000,000 for forest highways and the $3,000,000 under the Colton-Oddie Act?

Mr. MACDONALD. That is included in the statement.

Senator PHIPPS. Very well. You did include that in arriving at your total amount?

Mr. MACDONALD. Yes, sir. There is one point, which I did not bring out, however.

Senator SMOOT. I suppose you were here when he stated the total?

Senator PHIPPS. Yes. I asked him if that was included in the total.

Mr. MACDONALD. In our Federal-aid program, as extensive as it is, we have projects in all stages from first initiation to the practically completed projects. On the 1st of January of this year, 1931, we had going projects involving a total estimated cost of $233,000,000, with Federal aid of $99,500,000, practically $100,000,000, 67 per cent complete. Also projects have been approved for new work so there is work yet to be done on the going and approved projects to the amount of $137,000,000, with $58,500,000 of Federal aid to be put on those projects as they are completed.

The CHAIRMAN. That is, the Federal aid is included in the $137,000,000?

Mr. MACDONALD. That is included in the $137,000,000; yes, sir. This sum of going work, with the $300,000,000 possible program, which I previously mentioned, brings the total Federal-aid program possible for the calendar year 1931, to $437,500,000, with Federal-aid funds available of $293,500,000 and requiring $144,000,000 of State funds.

If the funds available for forest highways and for the roads through public lands are added, the total available for work to be done in 1931 from Federal funds is $315,800,000, which if met by $144,000,000 of State funds will provide for a total Federal and State program of

$459,800,000. This is exclusive of highway construction carried on wholly from State or local road income. The totals of these probable programs are indicated in the submitted statement of the total expenditures for highways by years.

I assume you want this to go in the record?

The CHAIRMAN. Yes; we want that all to go into the record.

(The matter referred to is shown in previous statement.)

Senator MCKELLAR. Mr. MacDonald, may I ask you, have you made an estimate of how many additional men will be employed by reason of these increased and emergency appropriations?

Mr. MACDONALD. We have considered very carefully that matter. It is a question which is almost impossible to answer. Since the total men employed varies so much, depending upon the type of work. I can give you the number that we average on an individual project of the various kinds.

For example, in the construction of the paved roads, that will require, that is, with ordinary paved roads, it takes from 65 to 90 men in each crew. Some other types or classes, like steam shovel work, we may have about 20 men on a crew. But, as a very rough approximation——

Senator MCKELLAR. Well, that is what I would like to get from you.

Mr. MACDONALD. I would say that this new program would give employment, directly, to around 100,000 men.

Senator MCKELLAR. You mean the additional, or all of it, the total?

Mr. MACDONALD. The additional.

Senator MCKELLAR. The additional?

Mr. MACDONALD. Yes, sir; but with this road work, we use practically all low-cost raw materials, so that of the road dollar eventually most of it gets back to labor. For example, the cost of crushed stone that goes into roads is largely made up of quarry labor costs, and transportation, of which the labor again gets a considerable part, Portland cement is made from clay or shale and limestone, which have very low value in the ground. It is only the work of the laborer, manufacturing, and transportation that gives value. The road dollar largely goes eventually to labor.

We are now making a very careful analysis of the number of men employed, with the idea of being able to answer just how effective is a program of road building to relieve unemployment.

Senator MCKELLAR. You have no idea how many are being employed now as the situation is?

Mr. MACDONALD. No.

Senator MCKELLAR. But, you think, roughly, that in addition to what is now being employed on the various Federal road systems in the United States, that these new appropriations would bring about the employment of 100,000 more?

Mr. MACDONALD. I think easily that.

Senator GLASS. Mr. MacDonald, is there anything in the general act that undertakes to restrict the contractors to the employment of free labor rather than convict labor?

Mr. MACDONALD. No; answering you question, there is nothing in the general act.

Senator GLASS. What I had in mind was whether your legal advisers have authorized you to make regulations such as you did there.

Mr. MACDONALD. Yes, sir; these emergency regulations are the regulations of the Secretary of Agriculture issued under the authority of the Federal highway act providing that he may make rules and regulations for the conduct of the work.

Senator SMOOT. A good many of the States now have laws prohibiting the employment of convict labor?

Senator GLASS. A good many of them have not. What I am trying to arrive at is whether by regulation of the department they might do that, or that matter might be handled in that way.

Mr. MACDONALD. We feel we are on safe legal ground.

Senator GLASS. I think that it ought to be done, but that does not mean that it can be done.

Senator ODDIE. What are the provisions with regard to the employment of ex-service men and American labor?

Mr. MACDONALD. We have no provision in the present acts. In some of the acts immediately after the close of the war there was such a provision, but they have expired now.

Senator COPELAND. Mr. Chairman, I would like to ask Mr. MacDonald a question relating to my State, of New York. I observe, if you will take this, you will see, that out of the $80,000,000 we got $4,000,000 plus, and the State was given the same total, $8,000,000 plus. The balance of Federal aid not used in that advance fund as of December 1, 1930, $7,723,840.

Does that mean we have actually declined or failed to make use of that fund already appropriated?

Mr. MACDONALD. No; not that, Senator. The information I gave prior to your coming in would, I think have explained that.

Senator COPELAND. Well, I am anxious to know about it, because I want to do something about it, if that is true. That is one of the things that I have in my mind.

Mr. MACDONALD. The State of New York took up all, or approximately all, of the first authorization for the fiscal year 1931. But there was a later apportionment of $50,000,000 in April, another apportionment of $125,000,000 in September, and another of $80,000,000 in December, and your State highway department works under a law or a ruling that the State must have funds actually on hand to meet the Federal funds and to meet all contracts as they are let. The statement here indicates a large balance accrued to your State. I take it this is true, because the apportionments were made after the State budget was set up for the current year, but the department of public works is now planning to take up all of this money immediately.

Senator COPELAND. I hope so, and I intend to make sure that that is so.

Mr. MACDONALD. There is no question about that. Mr. Brandt was in the office day before yesterday and advised us to this effect.

Senator COPELAND. This indicates my State has a grand total of $23,548,812.

Mr. MACDONALD. That is the total program, which would include or which would require $7,723,840, of State funds.

Senator COPELAND. That is, if $7,723,840 of State funds are provided, we will have available a grand total of $23,548,812?

Mr. MACDONALD. That is correct.

Senator COPELAND. Well, you have had the assurance of that all of the way?

Mr. MACDONALD. Mr. Curtiss calls my attention to the fact that a wire came in yesterday that New York expects to have $18,000,000 available for new contracts at once.

Senator COPELAND. I think that every member of the committee would be interested in seeing what his State has done. I am going to prod my people and see that they make the appropriations.

Senator PHIPPS. I happen to know, in my own State, when we got that extra $50,000,000 last year, we had $1,400,000 we had not taken up. Now, we get out of this $80,000,000 alone $1,500,000. That gives us $2,907,000 to spend. Well, we will no doubt have additional State money available during the next few months, in order to take that all up. Our State engineer was right on the job when your telegram came, and I do not want to create the impression that you did not get it out promptly, because you did. But, they were looking for the allotment. We had the State engineer, the chief forester and the chief of the bureau of public roads, all three of them sitting right together working on the plan to see how quickly they can let these contracts.

Mr. MACDONALD. Yes, sir.

Senator PHIPPS. If all of the other States are doing as they are there, it is all right.

You spoke about work and that it could not be done in the winter time. As a matter of fact, we prefer to do our rock work in the winter time, because right out there in the hills where we have heavy grading to do, blasting, all of that work can go on in bad weather, because there is no traffic on the road and they can devote all of their time to it. They can do it better in the wintertime than they can in the summer time.

Senator COPELAND. Are there some States, Mr. MacDonald, which are not taking advantage of this money that is being made available for them?

Mr. MACDONALD. I believe that all of the States will make available the funds shown on that chart to make up this program.

Senator COPELAND. At once?

Mr. MACDONALD. At once; yes, sir.

Senator MCKELLAR. The $80,000,000?

Mr. MACDONALD. No, the total program, the $300,000,000 program. There may be two States that will have some difficulty immediately, but aside from those two States, I believe that the program of $300,000,000 can be financed immediately.

Senator SMOOT. Those two States are taken care of in the emergency bill.

Senator PHIPPS. They get their prorata share of the $80,000,000.

Mr. MACDONALD. I did not make myself clear. They can expend their share of the $80,000,000. That program of $168,000,000 is sure. There are perhaps two States that can not carry out their part of the $300,000,000.

Senator SMOOT. They have been relieved of that, Senator.

Mr. MACDONALD. They can do that immediately.

Senator COPELAND. As I say, Mr. Chairman, it is important that we should impress upon the Senators from all the States, here we have available $300,000,000, if the awards are made, and they should be, of course.

The CHAIRMAN. Mr. MacDonald says that he is satisfied that all will meet this promptly. He must be familiar with it.

Senator MCKELLAR. How quickly do you think that they can get to work on this emergency work?

Mr. MACDONALD. Immediately, when we were asked the question as to what could be done to help the unemployment conditions through this method, we sent requests to our district engineers, asking them to give us their best estimates as to the total amount of work that could be put under way, having reference only to the engineering and administrative capabilities, of the State and bureau of public roads before the 1st of next July. The replies which we received totaled about $500,000,000. If those estimates are correct, I think it is possible with the income which we have for road purposes to get the $300,000,000 program under way within the six months' period.

Senator MCKELLAR. I know; but how soon will you get these projects started?

Mr. MACDONALD. We are getting them underway now. We are approving projects every day.

Senator MCKELLAR. Have any of them been started?

Mr. MACDONALD. Yes, sir.

Senator MCKELLAR. To what extent have they been started?

Mr. MACDONALD. The first few projects have been approved.

Senator MCKELLAR. In other words, no one has been actually employed, I suppose, yet, on any of them. Do you think that anybody can be or could be employed before the 1st of April?

Mr. MACDONALD. Yes, sir.

Senator SMOOT. Several are now employed, he stated.

Senator PHIPPS. We will have them working before the 1st of February in our State, whole gangs of them.

Senator SMOOT. We expect to have a lot of work in progress by then.

Senator MCKELLAR. Well, what would you say; what percentage of this program would be under way by the 1st of February; how many of them would be at work, what percentage? Of course, you would have to be rough as to that.

Mr. MACDONALD. I can not make a very close estimate of that.

Senator MCKELLAR. Oh, no, of course not.

Mr. MACDONALD. But, we ought to have in the neighborhood of $50,000,000 under contract for construction by that time.

Senator MCKELLAR. That would be about 20 per cent—15 per cent?

Senator SMOOT. Sixteen and two-thirds per cent.

Senator MCKELLAR. Sixteen and two-thirds per cent?

Mr. MACDONALD. But, the main difficulty at the moment, is the change of administration in a number of States.

Senator MCKELLAR. Yes, of course. Well, now, how much do you estimate could be started by the 1st of March? Would you be able to get another 16⅔ per cent, or more?

Mr. MACDONALD. Oh, yes. I think that we would have one-third under way; I feel that we would have one-third under way by March 1, easily.

Senator MCKELLAR. And how much by April 1?

Senator COPELAND. You are making a good deal of a prophet out of him.

Senator McKELLAR. No; this is an estimate, a rough estimate, that I am asking for.

Mr. MacDONALD. Yes.

Senator McKELLAR. I can understand that.

Mr. MacDONALD. I should think that we would let the other two-thirds in the three months from the 1st of April; April, May, and June.

The CHAIRMAN. You propose to push it along just as rapidly as possible, do you not?

Mr. MacDONALD. Yes, sir.

The CHAIRMAN. You stated a while ago that with this $80,000,000, this extra $80,000,000 which would mean, of course, if it were met by the States, $160,000,000, that you thought it would put on an additional 100,000 men?

Mr. MacDONALD. No, that was the total program, the $300,000,000 program.

Senator McKELLAR. Oh, that was the total?

Mr. MacDONALD. Yes, sir.

Senator McKELLAR. Then, how much do you estimate; how many additional men do you estimate would be put on, put at work, put on the work, by the emergency appropriation of $80,000,000 and the increased fund to be paid in by the States?

Mr. MacDONALD. About half of that number—50,000.

Senator McKELLAR. About 50,000?

Mr. MacDONALD. Yes. I regard those as rather conservative figures.

Senator McKELLAR. Well, it seems to me that they are rather outside figures, for this reason: That is, $1,600 will be $2,400, if they are all put to work, for each man; but at least half of that is devoted to materials, is it not, and to overhead and things of that sort?

Mr. MacDONALD. Well, that depends altogether on the project, and in the beginning of these projects—they are not taken on a yearly basis, you see.

Senator McKELLAR. I am taking them on a yearly basis.

Mr. MacDONALD. And for these emergency projects we will have to expend the funds before the 1st of September.

Senator McKELLAR. You understand, Mr. MacDonald, I have got a great deal of confidence in your views, and I am asking you for this information. Your idea is that the additional $80,000,000, together with what the States provide to meet the emergency appropriation of Congress, the $80,000,000, together with what the States will put up, will probably put up within six months, would put as many as 50,000 men, you think, to work; furnish employment to 50,000 men?

Mr. MacDONALD. One hundred thousand.

Senator McKELLAR. I thought you said 100,000 for the whole thing.

Mr. MacDONALD. With what the States put up.

The program that we were talking about, I think, Senator, before you came in, is made up in this way:

Starting with the $80,000,000 emergency——

Senator McKELLAR. Yes.

Mr. MacDONALD. Is matched against $80,000,000, or approximately $80,000,000 of the regular Federal-aid funds. That makes $160,000,000, or $168,000,000, to be exact, for the all Federal fund program.

Senator McKellar. Yes.

Mr. MacDonald. The States will have sufficient remaining of the Federal aid now available which if matched with $65,000,000 of their own funds, will give another $168,000,000, or a total program of $300,000,000, of which only $65,000,000 is from State funds.

Senator Copeland. Mr. MacDonald—are you through, Senator?

Senator McKellar. Yes.

Senator Copeland. I read with great interest your report of September and you had a number of interesting tables in that report, and on page 16 is Table No. 21. I notice there a number of Federal-aid roads. Some of them are graded and drained, about 12,000 miles; and certain ones are sand-clay, 7,000 miles; gravel roads, 28,000 miles; a total of 48,222 miles.

Are those roads susceptible of further improvement? I may say, as the work that has been done upon them already puts them along toward the time when they might now be surfaced?

Mr. MacDonald. Yes. That is true of the entire mileage of graded and drained roads.

Senator Copeland. Well, is that true of the sand-clay roads?

Mr. MacDonald. Eventually, but not necessarily at the moment. That is, the sand-clay road may be reasonably satisfactory for the time from the traffic standpoint. All of these lower types can be now and eventually will have to be improved with higher types of surface.

Senator Copeland. Have you any estimate as to how much it would cost to surface or to continue the work toward ultimate completion of these 48,222 miles of road?

Mr. MacDonald. No, I have made no estimate. I could give you a rough estimate, however, you include in the 48,222 miles the full mileage of gravel roads.

Senator Copeland. Yes.

Mr. MacDonald. And there will be a very large mileage of gravel roads maintained for a very long time as gravel roads. They may have a new surface such as the crushed rock-bituminous surface we are using largely in the West to-day, but I do not want to say that we would now change the gravel over to a higher type improvement, but the tendency undoubtedly will be to change to higher types.

Senator Copeland. What would it cost to surface the graded, drained, and the sand-clay roads?

Mr. MacDonald. There are 18,000 miles.

Senator Copeland. Yes, 18,000 miles. Probably $350,000,000 or $400,000,000. That $350,000,000 or $400,000,000 can properly be spent for those roads?

Mr. MacDonald. Yes; that is quite true; but it does bring out one point. The committee asked a number of questions as to limitations that would delay the program in any way.

We have in the Federal highway legislation a limitation of $15,000 per mile upon Federal contribution, which I feel is a handicap, and will be a handicap in changing these lower-type roads to a higher degree of improvement, in those States which rely largely on the Federal funds to help. These are the States in which such roads largely are located. By that I mean that of the $15,000 Federal contribution that was available in the beginning, we have already used up, we will say, $6,000 or $7,000 in grading and drainage.

Senator COPELAND. And the $15,000 would not give you latitude enough to complete it?

Mr. MACDONALD. That is so.

Senator COPELAND. I do not want you to feel that I am taking the time of the committee uselessly. It seems to me that perhaps in the development and the completion you may say, in a great many instances of roads where Federal aid has been given, there is another place where the funds could properly and profitably be used.

Mr. MACDONALD. That is correct.

Senator COPELAND. I understand that you agree with me?

Mr. MACDONALD. Yes. All of these graded and drained roads have in our agreements with the State that in the future a suitable surfacing will be added, either with or without Federal aid.

Senator COPELAND. May I ask, Mr. Chairman, that Mr. MacDonald furnish the committe for the report, with a statement of what funds could be properly used in the completion of projects which have been aided by the Federal Government, to see whether we might not spend some money now in a practical way, giving them funds?

Mr. MACDONALD. If I may be permitted, there is no need for any further legislation than the removal of that $15,000 per mile limitation.

Senator COPELAND. The funds are available, then?

Senator PHIPPS. That legislation is under consideration of the committee now.

Mr. MACDONALD. Yes; I understood so.

Senator PHIPPS. The subject has been brought up before and has been discussed from time to time by the committee, and I think we had an expression before the Senate at one time in opposition to the raising of the limit from the present one of $15,000 per mile.

Senator COPELAND. Is there opposition, Senator?

Senator PHIPPS. There was last year, but fortunately in the House.

Senator MCKELLAR. In the House. The Senate conferees took the opposite view.

Senator PHIPPS. You are speaking of the conferees. I was speaking of what took place on the floor of the Senate. We were considering the raising of the limit beyond the present limit of $15,000 per mile.

Senator COPELAND. As I understand the matter, if this legislation were had to remove the limit now obtaining of $15,000 per mile, it would make possible the completion of many miles of roads which can not be done now; is that right?

Mr. MACDONALD. Practically, I think that is true; yes sir. There are some of these roads that need a higher type of surfacing, on which we have partially exhausted the $15,000 per mile; and the margin left is so small in many cases that it precludes the State from going ahead with the improvement. In that case most of the additional amount comes from the State funds.

Senator COPELAND. Then you have of the graded and drained roads 12,448 miles, according to your report?

Mr. MACDONALD. That is only right for the particular date. They change from time to time.

Senator COPELAND. I mean generally?

Mr. MACDONALD. Yes, sir.

Senator COPELAND. And in order to do that?

Mr. MACDONALD. In order to assist fully to make the proper improvements we must have that change.

Senator McKELLAR. Have you got the money?

Mr. MACDONALD. Yes; that is, these funds are equally available for doing this work.

Senator McKELLAR. But if you did that, you would take it from the new projects?

Mr. MACDONALD. From the unobligated funds.

Senator McKELLAR. If you had to have additional money to make progress toward the relief of unemployment, I can see the position, you would have to take part of that and spend it, and it is of very great importance in my part of the country and in the northeastern part of the country more than in the western.

Senator COPELAND. I am thinking of it as to unemployment.

Senator McKELLAR. You can not do that without having more money.

Senator ODDIE. If that $15,000 per mile limit were removed, and you could go ahead with the surfacing of this large mileage, would it not have a strong effect in relieving unemployment by the purchasing of additional quantities of road surfacing materials?

Mr. MACDONALD. I think so. That was a point that was not brought out on the question of indirect employment. We believe that there are at least two men—some have estimated it as high as four men—engaged in some activity connected with highway building, for each one man who is employed on the jobs directly.

Senator ODDIE. If the limitation you refer to were removed, and the bureau were allowed to go ahead with its surfacing work, the surfacing would mean the actual employment of several times the number of men we are estimating on now?

Mr. MACDONALD. In certain sections; not generally speaking. The limitation is not particularly material in the Mississippi Valley and the Southern States, where the grading work is generally of so much less cost; but in the mountainous States of the West; in the Southern States where there are swamps that are difficult to cross; and in the Northeastern States where nearly all projects involve some rock excavation, it would make these funds more available for the improvement with the proper type of material to handle the traffic.

Senator ODDIE. A few minutes ago I asked you a question in relation to employment of ex-service men and American labor on road work. On reflection I realize that it was not fair for me to ask you this question; because the States initiate the road-construction programs and supervise them so that matter is up to the States.

Mr. MACDONALD. That is true; and I was answering from the standpoint of Massachusetts and Connecticut.

Senator McKELLAR. Mr. MacDonald, if Congress saw fit to give you an appropriation, say, of fifty or forty million dollars, or sixty million dollars—whatever the amount might be—with directions to use that for the purpose of grading new road projects, could not that work be done instantly in a great many States, and could you use such a fund to advantage in this time of depression?

Mr. MACDONALD. I do not think that would increase the number of contracts we will let now.

Senator McKELLAR. Why would it not?

Mr. MACDONALD. Because we have available all the funds that the organizations can put under contract within the next few months. They are making time the element.

Senator COPELAND. You are speaking now about road machinery?

Senator MCKELLAR. Yes; and you could not use——

Mr. MACDONALD. I am speaking of the engineering organization of these States and the contractors.

Senator MCKELLAR. Could you not supply additional engineers and additional contractors so as to help the unemployment situation in a live way?

Mr. MACDONALD. I am taking that into consideration, the actual increase of employment in the engineering organizations. They already have, of course, their regular organizations.

Senator MCKELLAR. Yes; but as a matter of fact, if I remember, according to your figures, you will put about 200,000 additional men, under these additional emergency appropriations, under employment; but apparently we have four or five million men who are unemployed, and I was wondering if you could not use to a very great advantage an appropriation for the purpose of simply grading roads that are to be Federal-aid roads; and could not that work be done almost instantly? Could it not be done within 30 days? What do you think of that situation or that proposal?

Mr. MACDONALD. I do not believe that that would add greatly to the number of men employed, with any degree of economy. If that kind of work were going to be done, I should think it ought to be done under the local organizations—the county organizations.

Senator MCKELLAR. In that connection, I have introduced a bill—I came to the same conclusion that you did, and I introduced a bill—that provides for that sort of work being done in the counties, and I am going to send you a copy of that bill and see what you think of it.

Senator COPELAND. You reached the same conclusion that Mr. MacDonald has reached?

Senator MCKELLAR. Yes.

Senator COPELAND. That the counties could handle it more expeditiously and better?

Mr. MACDONALD. I came also to the conclusion that the counties ought not to handle any such affairs.

Senator HAYDEN. How many counties are there in the United States?

Mr. MACDONALD. About 3,000.

Senator HAYDEN. You would have to deal directly, then, with 3,000 local political organizations?

Mr. MACDONALD. It would not do at all.

Senator COPELAND. Outside of the normal uses of the money already appropriated, assuming that legislation was given permitting the expenditure of larger sums per mile, could you make a recommendation that would have in it the practicability of the employment of a considerable number of men in excess of those who will be employed under the legislation, under the operation of what we have already done?

Mr. MACDONALD. It would be possible to employ more men than are provided for in this program throughout the year; but I believe that with the funds now available from the Federal sources, and the income from the States, we will in the next six months put all of the men at work who can be placed at work with any degree of economy. I am expressing this opinion, that road building only offers a modicum

of relief from unemployment. I mean that we can increase the normal program by 20 or 30 per cent, or 40 per cent, but after we have gone that far we would not get very much for the additional money that was expended.

Senator COPELAND. We have these graded and drained roads and these sand and clay roads, which will be likely to stay in exactly their present condition unless there is some stimulus applied; is not that right?

Mr. MACDONALD. No; because if you take the report which you have before you of 11,000 miles which were reported for 1929, as I recall it, it is changed by 2,000 miles in 1930. That is, something like 2,000 miles of the graded and drained roads appearing in the previous year's report have been surfaced, so that they appear in a different category.

Senator COPELAND. You have pointed out to us the importance of having legislation to do away with the limitation of cost. Just how would the passage of that legislation stimulate effort?

Mr. MACDONALD. Take, for example, a case in Oregon, which will illustrate. The grading of a particular road has cost $20,000. Since we have a mountainous region in which the work is done $10,000 of that came from the Federal funds, and $10,000 from the State funds. There is only available, then, $5,000 of Federal funds to help put the surfacing on it which, we will say, will cost $22,000 per mile. In other words, the State would have to pay $17,000 from State funds if they surfaced it. Now the State, hoping that the Federal Government is going to change its mind, will not surface that road. It will do some other work.

Senator COPELAND. Are there any such roads in my State, in the Hudson River region?

Mr. MACDONALD. There are such roads in New York State, in a little different situation. There the original construction largely used the $15,000 per mile, and now for the widening where it is necessary to widen for three or four lanes of traffic, there are no Federal funds available to defray a part of the cost.

Senator COPELAND. I suppose that such roads are really not common, not being in mountainous sections; but in a State like mine, where there is such tremendous automobile travel——

Mr. MACDONALD. No; the widening is not yet generally necessary; but I have a table here that illustrates the effect of that limitation.

Senator ODDIE. If you consider the increase in the number of automobiles on the roads in your State, it emphasizes what you are bringing out.

Senator COPELAND. Of course, we have widened a great many of our roads, widened them to four lanes of travel along those roads, and that must have cost a tremendous amount of money because of the blasting of the rock.

Senator ODDIE. I agree with you on that. The increased traffic should demand more widening.

Senator COPELAND. I am not speaking of that with reference to my own State, but I was just using that as an example.

Senator ODDIE. Yes. It applies equally in other States.

Senator COPELAND. If it costs more and brings about more employment and requires additional legislation, of course, I would like to see it done.

Mr. MACDONALD. In the Eastern States, in New York, Massachusetts, and Connecticut. New York is not as good an example as Connecticut or Massachusetts, because New York builds such a large mileage every year that they can take up their Federal funds even at the rate of $15,000 per mile; but in Connecticut and Massachusetts they have not within the last few years built enough new miles of roads per year to take up their whole allotment at the rate of $15,000 per mile.

Senator COPELAND. That is to say, the Federal Government can go, for its share as far as $15,000 per mile; is that right?

Mr. MACDONALD. That is right.

Senator COPELAND. And so that there are few roads where the cost is $30,000?

Mr. MACDONALD. Yes.

Senator COPELAND. And where that cost has been so great as that, they have not built them?

Mr. MACDONALD. They have built them, putting in the balance from State funds, which cuts down the amount of State funds available to meet Federal funds; so that some of the States in the East have been carrying large balances for the last two or three years.

Senator COPELAND. I begin to think that perhaps there would not be much practical value in that legislative proposition. It would not build many miles of roads, would it, if you took off that limitation of $15,000 per mile?

Mr. MACDONALD. It would permit the building of projects which can not be built now with Federal participation, up to one-half of the cost.

Senator PHIPPS. May I give this illustration?

Mr. MACDONALD. Yes.

Senator PHIPPS. A State highway commission proposed a road. Say this is road No. 40. It is 100 miles long. The Federal Government, as it participates, is willing to go up to the extent of an average of $15,000 per mile on that road?

Mr. MACDONALD. No; they can not do that.

Senator PHIPPS. If you could do that, you would be all right?

Mr. MACDONALD. Yes.

Senator PHIPPS. But you can only contribute $15,000 a mile?

Mr. MACDONALD. Yes.

Senator PHIPPS. To any particular mile?

Mr. MACDONALD. On any particular project. The projects usually are about 6 to 8 miles in length. Each project is treated separately. The project must not run over the $15,000 per mile from Federal-aid funds.

Senator PHIPPS. But you could take that up to 10 miles? You could average that, but you could not average 100 miles?

Mr. MACDONALD. No; if the State would put it all in one project, to be built at one time.

Senator PHIPPS. They can not do that?

Mr. MACDONALD. That is true.

Senator PHIPPS. Take it in Massachusetts and Connecticut; there are a good many of their projects which are for short distances?

Mr. MACDONALD. Yes.

Senator PHIPPS. Between important centers of population; and they are mountainous, and their cost is very great. Even a 3-lane highway is going to run up to $60,000 or $70,000 a mile, on account of the rock work that comes in there?

Mr. MACDONALD. Yes.

Senator PHIPPS. Now, that is where this demand for increase in the road program comes?

Mr. MACDONALD. For nearly 90,000 miles of road the actual Federal cost has been only about $10,000 average per mile with the $15,000 limitation. If the limit were taken off, it would raise the average somewhat, because we must surface now with much better surfacing than we did 10 years ago.

Senator PHIPPS. And you would have wider roads?

Mr. MACDONALD. Yes; wider roads.

Senator PINE. And after you have contributed the $15,000 per mile, you can never make another contribution to that particular highway, or to that particular mile?

Mr. MACDONALD. No; unless the road is wholly rebuilt. We have not classified a Federal-aid road as a proper reconstruction project unless the road as first built has been in service for a sufficient length of time to justify rebuilding. For example, the gravel roads that are now 8 or 10 years old, under the greatly increased traffic now, we are justified in rebuilding. Even with the State providing perfect maintenance, it would not be able, under present traffic on the main routes for gravel surfaces, to go more than 8 or 10 years without reconstruction.

Senator PHIPPS. As yet, no one State has fully completed its 7 per cent average fund?

Mr. MACDONALD. Yes.

Senator PHIPPS. I know some are pretty close.

Mr. MACDONALD. Two or three of the smaller States: Delaware, Rhode Island, and Maryland.

Senator PHIPPS. There your limitation is off, is it not?

Mr. MACDONALD. It is $25,000 per mile.

Senator MCKELLAR. If I understood you a while ago, you said that in this building-up movement, additional appropriations for emergency work, you could not increase the number of employed more than from 30 to 40 per cent. Was that correct?

Mr. MACDONALD. No; I stated that I believed that true for the total program. I was measuring the potential immediate program in dollars more than in the number of men employed.

Senator MCKELLAR. However, I believe you stated, roughly estimating that there are now about 500,000 men employed on roads in the United States, and that you thought it would be increased about 40 per cent, which would make it——

Mr. MACDONALD. No; I do not know where you got that 500,000. I do not remember using that.

Senator MCKELLAR. You said 40 per cent of an increase in the number of employed, as I understood you. I may have been mistaken.

Mr. MACDONALD. No, sir.

Senator MCKELLAR. Forty per cent of it; and 40 per cent of 500,000 would be 200,000 of additional men that would be put to work under these emergency appropriations.

What I wanted was to find out—now we have got fully 4,000,000 people unemployed in this country, and I just wanted to find out how much the $80,000,000, or these emergency appropriations all told, are going to help that situation. I may have misunderstood you, but I just want to find out how many men of those additional men unemployed, will be put to work under these appropriations, say within the next six months.

Mr. MACDONALD. I estimated that we would put at least 100,000 men on the work within that period.

Senator MCKELLAR. One hundred thousand men?

Mr. MACDONALD. Yes.

Senator MCKELLAR. Now, that is a definite statement, and that is what I wanted to find out.

Mr. MACDONALD. Those are directly employed on the work, but I think you will find a statement in the record also that we estimate that there will be from two to four men additional for each man so employed who also are required part or full time.

Senator MCKELLAR. I understand that.

Senator PHIPPS. That is where you got your 500,000.

Senator MCKELLAR. No; I did not get it there. I wanted to know how many men would be employed who are not employed now.

Mr. MACDONALD. I can not answer that.

Senator MCKELLAR. Could you get us those figures and submit them to us? I thought we might know what the increase is going to be; we have so many people unemployed that we want to know now.

Mr. MACDONALD. We are working now on exactly that information, so that we will be able to answer the question accurately; but it is going to take us a little time.

Senator MCKELLAR. About how long do you suppose it would take to get those figures?

Mr. MACDONALD. It will take us at least 30 days.

Senator MCKELLAR. When you get it, will you let me know; have your secretary telephone me, so that I can find out?

Mr. MACDONALD. Yes.

Senator MCKELLAR. But as I understand you, now—of course I understand that it is a rough estimate.

Mr. MACDONALD. It is very rough.

Senator MCKELLAR. You estimate that 100,000 additional men will be put on under this $80,000,000?

Senator COPELAND. We have in this country about 2,500,000 miles of road, have we not?

Mr. MACDONALD. Yes; about 3,000,000 miles.

Senator COPELAND. About 3,000,000 miles of road, altogether? What have you got in the back of your head as the limit to which the Government should go in regard to these roads? How far do you think the Federal Government should go in improving 3,000,000 miles of road or thereabouts?

Senator MCKELLAR. May I make this suggestion? The law provides, as I remember it, that the States shall keep up and maintain the roads throughout the country.

Senator PHIPPS. A State is obligated to maintain a road after it is constructed.

Senator MCKELLAR. Yes; the States are obligated by law, when they receive appropriations, to maintain the roads.

Senator COPELAND. All right; I will admit that; but I want to know what Mr. MacDonald thinks we are going to, ultimately. How far are we going to go?

Mr. MACDONALD. With a total public highway expenditure program now of upwards of a billion and three-quarters dollars, any amount the Federal Government can put into the program annually to give direction and impetus will be a relatively small portion of the total annual expenditure that is required. There is no way for me to answer how many miles of road the Federal Government ought to assist to improve, but I do believe that we should expend continuously at least as much as we are expending from the Federal income to assist in providing the main roads of the Nation, of the standards that are necessary for us to have.

This means concretely that I believe we should expend as much of the national income for this purpose as can be spared, considering other national needs for which provision must be made.

Senator COPELAND. Do you happen to have in your head, in round figures, how much we have spent in Federal aid to the roads—I mean the total, altogether?

Mr. MACDONALD. I have the exact figure here. Up to Jan. 1, 1931, the expenditures totaled $902,583,118.44.

Senator COPELAND. Less than a billion dollars?

Mr. MACDONALD. Yes; it is less than a billion dollars.

Senator MCKELLAR. About that.

Senator COPELAND. Have we already built, with that billion dollars, the bulk of the specific roads?

Mr. MACDONALD. No; we have only made a good start with Federal funds. But the States have placed pavements on a very large mileage. Take, for example——

Senator COPELAND. New York?

Mr. MACDONALD. New York; yes. That is a good example. The first Federal-aid projects that were of adequate construction at the time where necessary have been resurfaced by the State.

Senator COPELAND. Has it not stimulated some others to complete the connecting roads?

Mr. MACDONALD. Yes; that was the first purpose, I think, of the Federal-aid highway legislation. Without the Federal contributions there is no possibility of a national system of highways covering the whole country.

Senator COPELAND. When you consider projects, do you take into consideration the fact that they are connecting links with other States?

Mr. MACDONALD. Yes; under the Federal highway act of 1921 the Federal highway system was laid out to include the main roads of the Nation. This sytem now totals 193,000 miles, and this is the system on which every dollar of Federal aid is expended.

Senator COPELAND. Then if my State were to come to you and ask you to build a north and south road connecting two east and west main highways, you would not approve it? You would say that that was not a part of the plan—the large plan?

Mr. MACDONALD. The State of New York has nearly completed its original system, and when it does complete to an adequate standard this first system—then the State may add new roads as funds are available for their improvement. We will have new roads added very soon in New York State.

Senator McKELLAR. In your opinion, the $75,000,000 that we appropriate annually should be kept up for that reason; is not that true?

Mr. MacDONALD. You mean $125,000,000?

Senator McKELLAR. $125,000,000, as it is now.

Mr. MacDONALD. Yes.

Senator McKELLAR. That should be kept up for the reason that constantly new roads must be developed as the country grows?

Mr. MacDONALD. Yes, sir.

Senator McKELLAR. And developed?

Mr. MacDONALD. I mean that with these 26,000,000 motor vehicles now operating over our highways, it will never be possible finally to complete 200,000 miles to unchanging standards. No more than as in the example of the railroads can we expect the highways to maintain the same physical condition over a long period.

Senator McKELLAR. And you think it is necessary for Congress to continue to appropriate annually—and I am disregarding depressions and emergencies and everything like that—and that annually there should be $125,000,000 appropriated to keep up our system of roads in a fairly good condition?

Mr. MacDONALD. Yes, constantly. With a national system of 190,000 miles of highway that are being used to the tremendous extent our highways are now being used.

Senator COPELAND. You have made a splendid statement of the attitude of the Federal Government. You know what our position is and about our desire to relieve unemployment. Out of your wide experience is it your judgment that the States and counties and the localities might be stimulated—should be stimulated—to engage at this time in the building of smaller roads and roads of lesser importance?

Mr. MacDONALD. Not by any action of the Federal Government.

Senator COPELAND. No. I am thinking now about what conclusion we have reached as to what localities might be——

Mr. MacDONALD. Yes, I have some conclusions. The Farm Bureau Federation, being desirous of more miles of improved farm market roads, discussed this question with me. I said at that time there was little use to put very much more money into our local roads as a whole, until we have a better administration of the almost three-quarters of a billion dollars that is now being expended every year by the local organizations.

Senator COPELAND. That is, you think that when they come out to work off the road tax in the spring and plow up 9 or 10 yards on each side of the road, that is not very good stuff?

Mr. MacDONALD. That is exactly the point. The local roads in 1929 had an income of $758,000,000. That is only $100,000,000 less than the State income for State roads.

Senator McKELLAR. What was the State income?

Mr. MacDONALD. $887,000,000.

Senator COPELAND. Is there any effort being made through public education to bring to the attention of the States and counties and localities the importance of better roads?

Mr. MacDONALD. Yes; a decided movement is taking place by which the States are taking over about the same type of responsibility toward the counties as is now exercised by the Federal Government with the States.

That is, last year in the neighborhood of $100,000,000 was taken from the funds of the States—I mean the State income—to be used to assist the counties. In a number of States this assistance is qualified by the requirement that the State shall have general supervision over the expenditure of this fund within the counties, general or direct supervision.

The situation is rather well shown, I think, by the fact that not over 50 per cent of the counties have county engineers or qualified technical direction of their road expenditures.

Senator COPELAND. Is there a growing loss from the county governments, as you have looked it over?

Mr. MACDONALD. There is growing loss, in my judgment; yes. We have just analyzed road expenditures for all the counties in a single State. The report is not yet released.

Senator MCKELLAR. Neither New York nor Tennessee.

Senator COPELAND. Well, there is a great complaint in my State about county government. You can use New York as an illustration, if you wish.

Mr. MACDONALD. We found in this analysis accumulations of debts for recurring expenses, which had been bonded, until the bonded debt service was in fact annually requiring a very large part of the road income.

Senator COPELAND. Then, if that is the condition that they found in 1929, a lot of it was wasted that way.

Mr. MACDONALD. A large part of the income was used to pay charges that had accumulated in that way. Of the local road expenditures in 1929, $256,000,000 went into construction, $260,000,000 into maintenance, and $233,000,000 into "other purposes."

Senator MCKELLAR. May I ask you in regard to Tennessee? I see here that there is available of Federal money $3,483,764, and the amounts that are to be matched by the States, that have been matched; and is that work proceeding?

Mr. MACDONALD. The work is proceeding very nicely in Tennessee.

Senator MCKELLAR. You do not know whether that have matched it all, or how that is?

Mr. MACDONALD. The $80,000,000 was only apportioned on the first of December.

Senator MCKELLAR. You have not any information from the State that that is going to be met?

Mr. MACDONALD. We have information from every one of the States that they each expect to take up their full pro rata of the $80,000,000.

Senator MCKELLAR. That is fine.

Senator COPELAND. You have had a good witness, Mr. Chairman.

The CHAIRMAN. Yes.

Senator MCKELLAR. He is a competent man.

Senator ODDIE. I want to ask about a piece of legislation that we are much interested in in the public-land States, The Oddie-Colton Public Domain Highway Bill. The roads provided for in the bill are the main roads of the State, not necessarily the 7 per cent Federal-aid roads?

Mr. MACDONALD. Yes.

Senator ODDIE. This legislation will take care of much unemployment that can not be cared for by any other relief legislation we have passed?

Mr. MACDONALD. I did not bring out that point in the statement of the amount available for the emergency fund. In addition to the $80,000,000 there is $3,000,000 for roads through public lands.

Senator ODDIE. I am going to press for action on the bill that I have introduced providing for a 3-year program and appropriations to carry out the intent of the law that we passed last year. I will not discuss the details of that now, but I will say that it will do a great deal of good in relieving the unemployment in the Western States, the public-land States, and will go far toward connecting up the system of necessary highways.

Senator HAYDEN. I would like to ask Mr. MacDonald about the administration of the forest roads and trails, and of the forest highway fund. I noticed that immediately after the emergency appropriation was made of $3,000,000, for forest roads and trails, within a week the money was apportioned by the Forest Service to the different forest supervisors, and they have gangs of men at work now with the money in the national forests.

Senator ODDIE. They do not have to depend on the State administrations but can go ahead themselves.

Senator HAYDEN. The forest supervisors do not have to wait for cooperation with the State highway departments at all. They went right out and employed men. I think it was the quickest beginning of any work done under the emergency public works act.

The other $3,000,000 for forest highways, I understand, is under your administration, and you do not do that work by forced account. You are required to expend the forest highway money under contract.

Mr. MACDONALD. Part of the forest highway money, Senator, is being expended by force account also. In the forests where there are only small amounts they will be expended by day labor because the amounts are not large enough to contract. Most of the forests in the Eastern States are included. We can do it that way where the amount of money to be expended is small; but there is a requirement in the law that where the cost is over $5,000 a mile we must advertise and let contracts for the work, so that we have about a half a million dollars ready to contract at the moment when we can get one point settled with the Comptroller General.

Senator HAYDEN. What is that point?

Mr. MACDONALD. The point is that we required contractors to prequalify in our advertising, and the comptroller has ruled that we should not do that.

Senator HAYDEN. I desire to make an inquiry in connection with the Oddie-Colton Act which became a law last June which repealed section 3 of the Federal-aid highway act of 1921 that allowed 100 per cent Federal aid on Indian reservations. The effect of that repeal has been to tie up $400,000 worth of work in my State which was ready to proceed, and it has also prevented the expenditure of money on roads in other States.

You have submitted a favorable report on a bill which I introduced to restore the original law which is on the Senate calendar. Is it desirable to promptly pass that legislation?

Mr. MACDONALD. I think that is a very desirable bill. There are a number of these legal points that will make a lot of difference in the time when this work gets under way.

Mr. MACDONALD. One of them is the removal of the $15,000 per mile. Another is some modification of the requirement that we must advertise all forest highway work estimated to cost $5,000 a mile. That amount does not permit very heavy work by force account.

Senator HAYDEN. What remedies do you suggest?

Mr. MACDONALD. The removal of all minor limitation. We have got too many limitations written into the law to expedite action in public business. We are so tied up that it is quite impossible to act quickly. I am referring to time consuming minor limitations.

Senator HAYDEN. You are of the opinion that it should be left to the discretion of the Bureau of Public Roads in connection with the State highway departments as to whether or not road construction should be done under contract, or by force account?

Mr. MACDONALD. As an emergency matter, yes, sir; if the emergency justifies. I favor advertising and letting the work by contract and have no objection to that, as a matter of ordinary procedure, but when there is emergency, you see, we are still tied to this procedure.

Senator HAYDEN. There is another advantage in doing a certain amount of work by force account in that you have thereby an opportunity to check the cost of construction against the prices paid to contractors.

Mr. MACDONALD. We can do that under the law, if we reject the bids and readvertise.

Senator HAYDEN. How long do you advertise for bids?

Mr. MACDONALD. About three weeks.

Senator HAYDEN. Then, if all bids are rejected is it necessary to advertise for three weeks more?

Mr. MACDONALD. No. If we advertise for three weeks, and find that the bids are not acceptable then the work may be done by force account.

Senator HAYDEN. If a situation should arise, for instance, in Arizona, does the representative of the Bureau of Public Roads in that State have to refer the matter to your San Francisco office and then the San Francisco office refer it to you, before the work may be done by force account?

Mr. MACDONALD. That has to go clear up to the Secretary for decision.

Senator HAYDEN. The Secretary of Agriculture must give his approval before work can be done by force account?

Mr. MACDONALD. Yes.

The CHAIRMAN. Are there any further questions of Mr. MacDonald?

Senator PINE. Can you make any other suggestions that will speed up this work during this emergency? Can you suggest anything that the Senate can do?

Mr. MACDONALD. I believe, Senator Pine, that the suggestions have all been covered in the testimony.

The CHAIRMAN. If there is nothing further, that will close the hearings on this resolution.

(Thereupon, at 4.05 o'clock p. m., the hearings were closed.)

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